



EUROPEAN NEWS

French prices rise at yearly rate of 11.3%

BY DAVID WHITE IN PARIS

THE FRENCH Government's inflation record took a relatively heavy blow yesterday with the publication of October consumer price figures showing a 12-month rise of 11.3 per cent.

Aid for larger families to counter falling birth rate

BY TERRY DODSWORTH IN PARIS

THE GOVERNMENT is introducing financial measures to encourage larger families in France in an effort to reverse the trend towards a lower birth rate.

Poland reveals its debt to West

BY CHRISTOPHER BOBINSKI IN WARSAW

POLAND'S debt to the West, accumulated in the years 1970 to 1978, amounted to \$15bn dollars, it has just been disclosed to the Polish people.

Spain to go ahead with nuclear power plant

By Robert Graham in Madrid

THE SENSITIVE issue of a nuclear power plant at Valdecaballeros, near Badajoz in western Spain, has been resolved. The Regional Council of Extremadura at the weekend approved the project by a narrow margin.

Holland's trade deficit reduced

HOLLAND'S visible trade deficit was \$1 758m (£176m) in September, compared with deficits of \$1 240m in August and \$1 251m in September last year.

Belgium outlook

The Belgian National Bank's economic indicator based on company forecasts rose 1.25 per cent in October from September to reach its highest level since the spring of 1976.

Danish defence chief's warning on missiles

BY HILARY BARNES IN COPENHAGEN

DENMARK WILL "have its ears soundly boxed" at the NATO Council meeting next month if it tries to persuade other member countries to postpone for six months a decision to modernise nuclear forces in Europe.



Prime Minister Raymond Barre (right) greets his Spanish counterpart.

increase in annual defence spending on the grounds that Danish defence spending until 1981 is fixed by a four-party agreement, he said. Now the Government was cutting expenditure, without consulting the other parties.

Paris cautious over Suarez visit

BY OUR PARIS STAFF

SR ADOLFO SUAREZ, the Spanish Prime Minister, began a 24-hour visit to Paris yesterday, but officials were cautious about the possible outcome of his talks with Government leaders.

But differences over Basque policy, plus the strong opposition to Spanish entry to the Community from parties on both the Left and Right of French politics, have raised problems which the two sides will be anxious to resolve.

rest of Europe is reducing its capacity. On the Basque problem, discussion centres on the strength of French measures against members of ETA, the Basque separatist organisation, taking refuge over the border in France.

THE PORTUGUESE ELECTION CAMPAIGN

Soares woos the shanty vote

BY JIMMY BURNS IN LISBON

LISBON'S "bairro chinos" or Chinatown is not an area of oriental restaurants, raucous night bars and soft-lit dancehalls. It is a huge expanse of shanty huts where rats pick of rotting vegetables and families sleep 10 to a room.

party is presenting itself as the main bulwark preventing Portugal from falling into a new dictatorship. In Bairro Chines the Communist threat appears more apparent than real.

many occasions has turned Dr. Soares' public appearances into a chaotic free-for-all. Socialist officials stress that this is a natural consequence of the new style adopted by the party during this campaign.

Economist warns of EEC crisis

By Our Foreign Staff

A MAJOR reappraisal of the EEC and its institutions was called for yesterday by Professor Ralf Dahrendorf, Director of the London School of Economics and a former member of the European Commission.

Doubts over new Norway incomes package

BY FAY GJESTER IN OSLO

A CONTROVERSIAL enabling freeze, they object to the extensive powers the Act would give the Government - it is to be effective until the end of March 1982.

those who had increases coming to them when the freeze was imposed in September 1978. For the others, the freeze will continue to apply until April, when the new pay settlements take effect.

Secondly, there should be readiness to accept the taboo concept of a European income card in which countries would follow common policies where they had common interests without constraint on those who could not join in.

Advertisement for OECD publications. Text includes: 'NOW AVAILABLE... THE BOOK WHICH THE WORLD HAS BEEN WAITING FOR...', 'FACING THE FUTURE: MASTERING THE PROBABLE AND MANAGING THE UNPREDICTABLE', and 'OECD CATALOGUE OF PUBLICATIONS ON SELECTIVE STANDING ORDERS FOR OECD PUBLICATIONS'.

Large advertisement for Linde lift trucks. Features a photograph of a Linde lift truck in a factory setting. Text includes: 'Peak Season for Refreshing Beverages', 'Therefore Messrs Rossbacher Brunnen use Linde lift trucks with their hydrostatic drive...', and 'Linde AG, Weebaden, represented by: Linde Hydraulics Ltd, Materials Handling Division, Nutfield Way, GB-Abingdon, Oxon OX14 1R4, Tel. 0235-22828, Telex: 837 477 thirk g'.



OVERSEAS NEWS

Quentin Peel in Johannesburg assesses the prospects for South African military intervention in Rhodesia Pretoria rattles sabre against Marxist threat

SOUTH AFRICA'S concern at the progress of the Rhodesia talks at Lancaster House has reached a new peak with the announcement that Mr. P. W. Botha, the Foreign Minister, is flying to London today to see Lord Carrington, the Foreign Secretary.

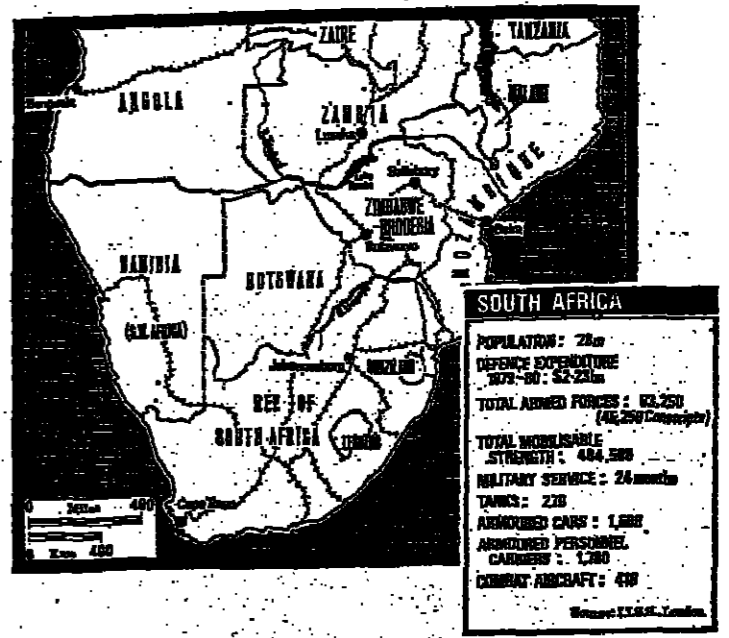
Zimbabwe Rhodesia would play a key role in the future of South Africa and all her neighbours. His message was that Rhodesia's war was South Africa's war.

fusion over just what it can and should do. South Africa's concern is clear. It sees a Marxist Zimbabwe Rhodesia, ruled by the Patriotic Front, as creating a belt of Communist states across Southern Africa, destabilising the less radical regimes in Zambia and Botswana and threatening the survival of both Namibia (South West Africa) and ultimately South Africa itself.

senior army officers. They forecast that in an election in Zimbabwe Rhodesia as envisaged under the British settlement plan, the Patriotic Front would win.

during an election. This would be unlikely to precipitate action if British supervisors and Commonwealth observers were in charge of an election.

Salisbury to Bethridge to enable an evacuation, mainly of whites, to take place. A number of farms just south of the border in South Africa's Northern Transvaal are reported to have been bought by the Defence Force as possible refugee camps.



SOUTH AFRICA POPULATION: 26m OFFICE EMPLOYMENT: 1,075,000 UNEMPLOYMENT: 22.2% TOTAL ARMED FORCES: 65,200 MILITARY SERVICE: 24 months

Pressure grows for budget to halt Australian Liberal Party slide

AFTER NEARLY a year of speculation and prediction about when Mr. Malcolm Fraser, Australia's Prime Minister, would hold an early election, the pundits and the Press have turned instead to predicting when he will introduce an early budget.

But pressure is mounting from Liberal backbenchers, especially those in marginal seats, for an earlier Budget or at least a mini-budget to stimulate the economy and halt the Liberal Party slide in the opinion polls.

Ministerial residence in Canberra. Labor is ahead in the opinion polls and the Government is undoubtedly unpopular at present. It appears to be losing the fight against inflation which has been its main justification for the past three years' restraint and high unemployment.

among those aged 15-19 was 17.8 per cent. Mr. Fraser's team, which came to power on a promise of "clean" government after accusations of corruption against the Whitlam Government, has been bedevilled by scandals and allegations of ministerial impropriety.

are economic recovery and national development, responsible fuel policies, sanity on wages and industrial relations, resource development, including uranium, and leadership strength.

Not surprisingly, Labor's election strategy will focus on areas which Mr. Eggleton hopes to "neutralise" for the Liberal Party.

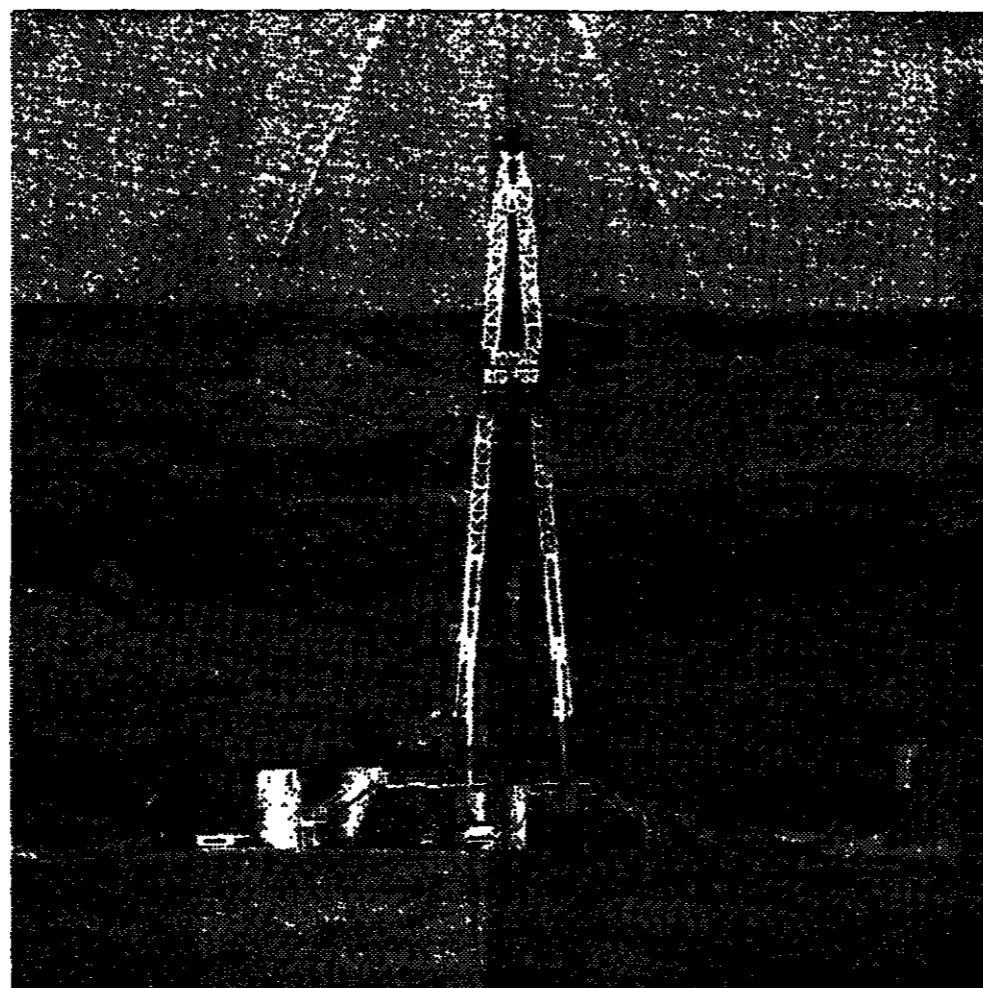
Israel delays hearing of mayor's appeal

ISRAEL yesterday postponed a military appeal board hearing of the application by Mr. Bassam Shaka, Mayor of Nablus, on the occupied West Bank, against a deportation order issued against him two weeks ago.

he cancelled in exchange for an agreement by West Bank Arabs to drop court proceedings against the Jewish settlement of Eilon Moreh.

Tenneco Third Quarter Report:

Net income up 28%. Investments in energy to top \$800 million in 1979.



Tenneco drilling rig in the Williston Basin area of the Dakotas and Montana, where the Company is a successful new producer with four oil and gas discoveries in the past year.

While Tenneco's energy operations paced increases in net income and earnings per share for the third quarter of 1979, investments in energy projects continued at a record level.

Net income for the quarter was \$132 million, up 28 percent from the same period last year, while operating revenues were \$2.8 billion, up 33 percent.

Energy operations provided 69 percent of operating income. The Company's integrated oil operations contributed the greatest gain, showing a 30 percent increase since the same time last year.

Tenneco has established an enviable success record; while the industry's reserves of oil and natural gas declined about 6 percent from 1976 through 1978, Tenneco's reserves have held about steady.

Table with 4 columns: (Millions-Except Per Share Amounts), 1979, 1978, Per Cent Change. Rows include Net sales and operating revenues, Net income, Earnings per share of common stock, Average shares outstanding, Fully diluted, Dividends per share of common stock, Average number of shares outstanding, Capital expenditures.

Mrs. Gandhi may face backlash from Hindus

EVENTS at the Great Mosque in Mecca and subsequent incidents of violence in India could lead to a Hindu backlash against Mrs. Indira Gandhi and the Congress Party in the forthcoming elections.

What remains of the Janata Party will probably benefit from any concerted Hindu reaction. The Janata Party is now largely composed of the former (Hindu nationalist) Jana Sangh. Behind the party's disintegration last July lay widespread fears that the Jana Sangh was becoming a stranglehold over the Government.

Talboys plea to Europe

MR. BRIAN TALBOYS, New Zealand's Deputy Prime Minister and Foreign Minister yesterday held talks with West German Ministers on the issue of his country's agricultural exports to the European Community.

Changes for Korea

South Korea's National Assembly yesterday set up a committee to revise the country's constitution.

Morning to quit

Mr. Teichiro Morinaga, governor of the Bank of Japan, told Mr. Masayoshi Ohira, the Prime Minister, yesterday that he wished to resign when his current term expired on December 16.

MAPCO IS OIL BUT...

It's only a part of the MAPCO picture. This integrated energy company also produces and markets coal, gas and gas liquids; operates LPG and anhydrous ammonia pipelines; retails LPG and liquid fertilizer and produces and sells some instrumentation devices.

Tenneco logo and company information including subsidiaries and contact details.

### Prices of petrol and diesel soar in Brazil

**By Diana Smith in Brasilia**

BRAZIL'S energy and economy ministers have approved petrol and diesel price increases in a desperate attempt to force down consumption before the Organisation of Petroleum Exporting Countries (OPEC) meeting in December. They have warned that prices could rise again in January.

Motogists will have to pay 58 per cent more for low-octane "gasol" (80 per cent petrol and 20 per cent ethyl alcohol). It will cost Cr 22.50 (\$0.73) a litre against the present Cr 14.30 (\$0.43).

Drivers who use high-octane petrol without added alcohol will have to pay \$1.13 a litre, compared with the present \$0.70. Further, the National Petroleum Council will allow only sales of high octane petrol in the south, cutting off supplies to other areas.

The price of a litre of diesel, used only for heavy vehicles since diesel cars are banned in Brazil, will rise by 38 per cent to \$0.40 a litre.

Between them, petrol and diesel account for 49 per cent of all oil derivatives consumed in Brazil. Current oil imports are about 1m barrels a day, at a cost expected to reach \$7bn by the end of the year.

It has been difficult for the Government to convince the public that soaring crude prices call for voluntary restraint, and in private financial officials admit that the time has come for toughness.

If shock price rises do not work, they say, rationing will have to come.

Agencies add: Most of Rio de Janeiro's 18,000 taxi drivers went on strike yesterday in protest over the 58 per cent increase in the price of petrol. They were demanding a rise in cab fares to compensate for the new petrol prices. The lack of taxis eased the usual chaotic traffic conditions, but created long queues at bus stops.

Forty-six nations were represented at yesterday's opening session in New Orleans of a conference which over four days will explore the use of alcohol-based substitutes for oil.

The keynote address was given by Governor Edwin Edwards, of Louisiana, which is principal U.S. refiner of conventional fuels and a co-sponsor of the conference.

Our Canadian correspondents assess the Parliamentary scene after Pierre Trudeau's announcement

## March of the political lame ducks

LAME DUCKS and walking wounded are littering the Canadian political scene.

● Mr. Pierre Elliott Trudeau, Prime Minister from 1968 until last May, is retiring as leader of the Opposition and of the Liberal Party in the spring.

● Mr. Joe Clark, the Progressive Conservative Prime Minister who squeaked in as head of a minority Government at the general election of May 22, is dependent for survival upon the tacit or open support of some opposition members, specifically the five representatives of Social Credit.

● Mr. Rene Levesque, Premier of Quebec who intends to stage a referendum next year on his proposal for a sovereign Quebec in economic association with the rest of Canada, has suffered several setbacks in by-elections, he even managed to lose a working class seat in eastern Montreal which should on previous form have strongly backed his Parti quebecois.

● For good measure the term of Mr. Gerald Boney, Governor of the Bank of Canada, expires at the end of the year, and the Prime Minister will have the delicate task of deciding whether to re-appoint him. Mr. Boney has come under heavy fire from the Tory caucus in the House of Commons for following the high interest policy of the U.S. Federal Reserve.

Though the House of Commons was elected in May, it only met in October. Already there

have been two no-confidence motions, which Mr. Clark survived only because Social Credit, a conservative splinter group from Quebec, supported him. Then, last week, two by-elections went against the Progressive Conservatives: one, in Newfoundland, went to the Liberals, as in May, but at Prince Albert, in Saskatchewan, a traditionally Tory seat previously held by the Prime Minister, Mr. John Diefenbaker, was lost to the New Democratic Party (NDP), a social democratic grouping.

That left the House of Commons all but evenly divided between the Liberals and NDP on the one hand, and the Tories with their Social Credit friends on the other. Both sides breathed fire: Mr. John Crosbie, Minister of Finance, threatened an early dissolution, well knowing that the Liberals, and Mr. Trudeau in particular, have not recovered the popularity in English-speaking Canada without which they cannot hope to reverse their defeat of last May; Mr. Trudeau played the aggressive opposition leader.

So his announcement on Thursday that he was retiring took almost everyone by surprise. True, he had come under some pressure to give up even before losing the election; true, too, that the West, where the Liberals are an endangered species, was outraged when he called off a visit to Vancouver, pleading flu, and was then

photographed dancing in a New York disco. But the political analysts on Parliament Hill in Ottawa none the less considered his timing subtle in the extreme.

There is a tradition in Canada that elections should not be held when one of the leading parties is in the throes of selecting a new leader. Mr. Clark immediately made a statement that he would, indeed, not take advantage of the position the Liberals are in. For the truth of the matter is that neither the Liberals nor the NDP are keen on an early election. What they dread most is a repetition of what happened when Mr. Diefenbaker became minority Prime Minister in 1957, dissolved, and swept the country including traditionally Liberal Quebec in February 1958.

But now a truce appears to have resulted from Mr. Trudeau's abdication, and the

economic climate in Canada next summer may not help the Tory Government. High interest rates will also certainly alienate small business, traditionally a mainstay of Tory strength. Besides, there is no being sure what will happen to the Tories' popular proposal to make tax deductible the interest due on residential mortgages. Neither the NDP nor the Liberals approve of it in its present form, though the Liberals may have more pressing interests before the election of their new leader in March or even later.

As regards interest rates, it has been axiomatic that Canada must keep in step with the U.S. or risk a foreign exchange crisis. For 1979 a current account deficit of C\$7bn (about £2.9bn) is in prospect. Next year will be worse, because though merchandise trade is in surplus and the travel deficit lessening, interest payments are soaring on Canada's external debt.

Under such circumstances it is hard to argue for a low interest policy, even though this year's slow real growth of GNP by 2½ per cent is likely to slump to somewhere near 1 per cent in 1980. Since Mr. Clark has not so far carried out a massacre of Liberal-appointed high officials, Mr. Boney could therefore be safe.

Mr. Crosbie's fiscal prescriptions will become clearer on December 11, the date an-



Mr. Boney . . . could be in the firing line

ishment disapproved of his resigning from the cabinet in 1975, showing up economic differences with Mr. Trudeau. In any case these giant leadership conventions with their horsetrading tend to be utterly unpredictable: few people had ever heard much of Mr. Clark before he was picked to be Tory leader in 1976.

Mr. Turner would have the advantage of being good at French, a fact of some significance given that the Quebec referendum is to be held in May or June of next year. Mr. Levesque's Government will ask the Quebec voters whether they wish it to negotiate a new relationship with Ottawa which they call sovereignty-in-association—in practice an independent Quebec in close monetary and economic union with the rest of Canada. Because that formula lacks finality, the outcome is anyone's guess, but there is solid evidence that the voters are afraid of independence proper.

Mr. Levesque's Parti quebecois is deeply divided between separatists and moderates. Moreover, in the federal election, Quebec voted almost solidly for the Liberals which in Quebec's case meant Mr. Trudeau and an uncompromising opponent of Quebec separatism.

When the fight for the referendum is on, Mr. Trudeau is unlikely to be found in a New York disco.

### U.S. inflation rate of 10% predicted by Kahn

**By Raymond Whitaker**

MR. ALFRED KAHN, chairman of President Jimmy Carter's Council for Price and Wage Stability, yesterday predicted that U.S. inflation would be only 10 per cent by the end of the year, as given by the GNP deflator, which measures the average rise in prices throughout the economy.

Earlier, however, he told a European investors' conference in London that the U.S. Government did not believe in mandatory controls on wages and prices, and that it had no alternative but to make a radical and direct attack on energy consumption.

Ranging himself firmly against the strong lobby in the U.S. calling for controls on oil prices to be retained, Mr. Kahn said that President Carter's decision to deregulate oil prices was "irreversible."

If demand for fuel rose, the price would rise as well, he said. If objections were made to consequent increases in oil company profits, the Government could only increase the tax on windfall profits.

Mr. Kahn ruled out any attempt to ask Congress for wage and price controls.

His remarks on inflation were made in a Reuters interview after his speech. He said the inflation rate given by the GNP deflator, which measures the average rise in prices throughout the economy, was a more accurate measure than the increase in the consumer price index, which his council had predicted would be 13 per cent for 1979.

In the interview, Mr. Kahn criticised Chrysler workers who expected Government aid "without even having the decency to take a pay freeze," as he put it.



Mr. Kahn . . . forecast

## Senate in final push for strong windfall profits Bill

BY DAVID BUCHAN IN WASHINGTON

SENATE leaders yesterday began their push for a final vote on the controversial oil windfall profits tax by the end of this week, as a top U.S. Administration official warned that a weak Bill might lead Saudi Arabia to raise oil prices.

Mr. William Miller, the Treasury Secretary, said after weekend talks with the Riyadh Government that the Saudis were unhappy that U.S. oil companies buying their oil, which is presently priced slightly lower than the rest of OPEC crude, were not passing these benefits on to U.S. consumers.

The four U.S. companies that make up the Arabian American Oil Company, which extracts most of Saudi Arabia's Oil, are

Exxon, Texaco, Mobil and Standard Oil of California. Only Exxon commented on the charge that the four companies were unfairly enriching themselves on Saudi Oil and it claimed its U.S. prices for petroleum products were lower than those of many of its competitors.

The Saudi complaint is not new. But voicing it through Mr. Miller serves the purposes of both Riyadh and Washington. For Saudi Arabia, it is an additional justification if it votes to raise prices at next month's meeting of OPEC oil-producing countries in Caracas. For Washington, it means extra pressure to apply to the Senate to strengthen the windfall profits tax.

The tax is aimed at creaming off some of the extra profit U.S. oil companies are expected to make over the next ten years from President Carter's move to phase out price controls on domestic oil. Proceeds from the tax would, under the original Administration plan, go to finance development of alternative fuels and better public transport.

The Administration is fighting to get the Bill, which has been approved by the Senate finance committee, strengthened on the Senate floor. The committee version would bring in only \$142bn in the next decade, or half what the Administration Bill called for.

So far the Administration has

won only a negative victory, with the Senate defeating efforts by senators from oil-producing States to weaken the windfall Bill even further. This week will see Administration-backed efforts to toughen the profits levy. The House of Representatives has already passed a tax to the White House's liking.

Having made considerable progress this autumn on Mr. Carter's proposals on oil, Congress is starting to turn to the even trickier issue of nuclear power. The House is due today to vote on a proposal to put a formal moratorium on the granting of new nuclear power plant permits until next April.

Various moratoria proposals

have been in the air since the Three Mile Island reactor accident last March. The Nuclear Regulator Commission has said, in fact, that because of the need to absorb and to implement safety lessons from the accident, it will not be awarding any more reactor licences until next spring at the earliest.

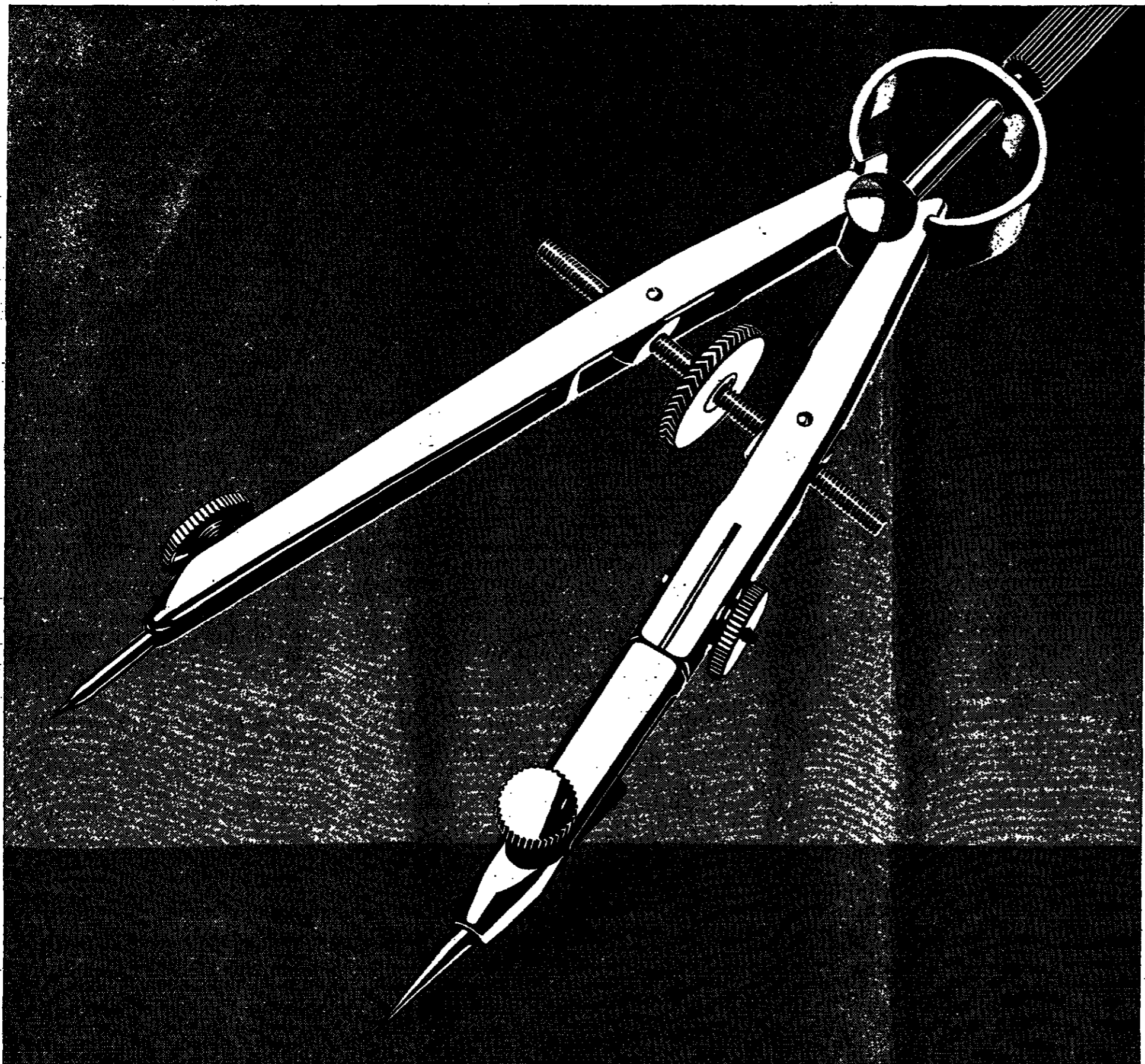
This delay by the NRC is likely to postpone the award of any new export permits by the commission for the sale of U.S. reactors abroad.

Action by the House might thus only make official what is already fact. But it would be considered a highly important political signal to the nuclear industry. However, a mora-

torium raises complex issues, which the Kemeny Commission on nuclear safety was unable to decide one way or another when it issued its October 31 report.

President Carter has also shown himself to be in no hurry to come to a decision about the future course of nuclear power, despite the fact that his competitors for the Democratic nomination, Senator Edward Kennedy and Governor Jerry Brown, have both called for a moratorium.

But the White House may soon have to pronounce, in particular on where it stands on the many safety reforms proposed by the Kemeny Commission.



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WORLD TRADE NEWS

CBI criticises export aid schemes

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

UK manufacturing companies are still broadly in favour of Britain being part of the Common Market, but are worried that other EEC countries do not abide by all the Community's decisions. This is the main conclusion of a Confederation of British Industry report which is critical of export aid schemes run by some EEC countries in contravention of at least the spirit of the Treaty of Rome. The CBI regards the continued basic support for Britain's EEC membership as significant and, accordingly, published the report last night in advance of Thursday's Dublin summit. "Our European trade performance has not been as disastrous as it is often thought," commented Sir Peter Tennant, who headed a CBI working party on the report. "Our deficit with the EEC might have been even larger without membership. CBI members overwhelmingly support membership, though they remain to be convinced that all our EEC partners will play by the Community rules." The report was prepared by Mr. Roger Nuttall, a Foreign Office civil servant on secondment to the CBI. Its conclusions are based on visits to only 50 companies, and written questionnaires completed by a further 50 concerns, so it is not being presented by the CBI as a major survey. Nevertheless, its findings have reinforced the CBI's views about problems encountered in exporting to Europe. The report especially urges that companies should set up branches of local agencies in the EEC. "British experience in Europe, as well as that of our competitors in Britain, amply demonstrates the importance of having an effective local presence in European markets, particularly the most difficult ones of France and West Germany. The CBI should ram this message home on every suitable occasion." Companies are also recommended to take shop stewards with them on foreign export trips to try to dispel the UK's strike-torn image. Mr. Roger Nuttall's study of British Firms Experience in the EEC and Report of the Europe Committee working party. CBI, 21 Totterdell Street, London SW1.

EEC starts new talks with Comecon

THE EUROPEAN Community opened a new round of talks in Moscow yesterday with the Soviet-led Comecon bloc in a six-year effort to reach a trade agreement between the two organisations. The delegations were headed by Mr. Wilhelm Haferkamp, Foreign Affairs member of the European Commission, and Mr. Nikolai Fadeyev, Secretary on Comecon's ruling council. The nine-nation EEC has already signed bilateral agreements with some of the 10 Comecon countries. But an accord between the two groups has been stalled by the EEC's refusal to recognise Comecon as an organisation of equal standing. The EEC negotiates on behalf of its members in international talks, while Comecon is viewed by the European Community as a basically consultative group with no member relinquishing sovereignty. Meanwhile, the Communist Party newspaper Pravda reported yesterday that "intermediate war" has broken out in the Common Market as the leaders of the EEC nations prepare for a meeting late this month in Dublin. AP-DJ

Japan plans £1m China aid

TOKYO — Japan's Foreign Ministry has drafted plans calling for ¥500m (about £1m) in aid, beginning next April for six of the eight modernisation projects for which China has asked Japan's assistance, officials said yesterday. Foreign Ministry officials in charge of Chinese affairs said that they will discuss details of the plans with officials of the finance, international trade and industry and other Government agencies and work out a final proposal, presumably in time for Prime Minister Masayoshi Ohira's trip to China scheduled to begin on December 5. They said the Foreign Ministry had decided to exclude Chinese plans to build two power stations from their consideration for financial assistance and to determine the amount of aid for each fiscal year, instead of coming out with the total sum for the six projects. The amount for fiscal 1981 and thereafter has not been decided, but it is understood that it will not exceed the ¥500m level set for fiscal 1980. China has asked for \$5.5bn in official yen denominated credits for the eight projects that include construction of railways and development of coal and other natural resources. One Foreign Ministry official said the two power station projects have been dropped "because they were low on China's list of priorities." The Ministry has decided against requiring China to use the money to purchase equipment only from Japan. This is a departure from the normal Government practice of attaching strings to its loans—a practice that has been criticised recently by the U.S. and other countries as part of Japan's attempt to increase its exports. Nissan Motor, Japan's second largest car maker, said yesterday it had received an order for 251 commercial vehicles during an annual export commodities fair held in Guangzhou City in China. It was the first bulk order for commercial vehicles Nissan has received at the Chinese Fair. Nissan has shipped about 700 passenger cars to China during the past seven years, but it started exports of commercial vehicles only last October, with the shipment of 286 vehicles. Nissan's affiliated company, Nissan Diesel, has exported about 6,000 heavy-duty trucks to China since 1969. Reuter

UK mission sees big potential in Alberta

BY FRANK GRAY

CANADA'S oil-rich province of Alberta is rapidly diversifying its economic base, and probably represents the most attractive investment potential in the country for UK businessmen, Mr. Cecil Parkinson, Britain's Minister for Trade, said yesterday. Mr. Parkinson, who has just returned from a Canadian tour that took him and five British corporate leaders to Alberta and Ontario, said Alberta's growth potential made it more imperative than ever that a British airline be allowed direct access to Western Canada. He told a Press conference that the resolution of the Heathrow-Gatwick airports' dispute, under which Britain had removed its pressure on Air Canada to shift its operations, had created a more favourable atmosphere in Canada for a resumption of bilateral air talks. The two Governments were to resume formal negotiations, revolving around expanded Canadian services by a British carrier, in January, he said. The Minister said the trade mission was "frankly shocked at the scale on which Alberta planned to invest in the next few years... and there is no reason why this development will not go ahead because of its relation to Canada's energy needs." The mission had found a "lack of awareness" among Alberta business interests of the level to which Britain could and was prepared to contribute to the province's development. A particular apprehension among Canadians was British disinterest in the country because of its increased involvement in the European Economic Community. Mr. Parkinson said Britain was anxious to stress that this was not the case. He acknowledged that the lifting of exchange controls had not yet reduced the value of the pound and, therefore, had not yet proved a boost to British exporters. The strong pound, however, provided attractive opportunities for British investors. He saw trade rising in the areas of joint ventures, investment, local assembly and provision of technical expertise. Britain wanted to see a further reduction in the trade imbalance between the two countries. Last year, UK exports to Canada totalled £740m compared with Canadian imports valued at £1,090m. This represented an improvement on 1978, when UK exports were £638m and imports were at £1.1bn. For the first nine months this year, exports were at £577m compared with imports of £893m.

joint venture participation, particularly in smaller, high industrial projects, which would bring a quick return. Mr. Buckman said the Chinese had given the impression that it may be two to three years before they overcame their liquidity problems. In the meantime, businessmen would have to go through a "marking time" period, but those who saw it through would be well-placed to take advantage of developments in the future. People's Insurance of China has insured Chrysoberyl River Development, a Hong Kong company building a Canton residential project, against delays caused by what Xinhua, the official Chinese news agency, termed political incidents. AP-DJ reports from Hong Kong. The move apparently was designed to lure Hong Kong developers across the border. According to Mr. Lam Mang Hei, a director of Chrysoberyl, which was formed last month by a group of local contractors, the company will be compensated for delays caused by war, riots, political demonstrations or similar disruptions. Although two other housing project contracts were signed this year by Hong Kong companies to build apartments in Guangdong and Fujian provinces, the Chrysoberyl project apparently was the first to be insured by the Peking Government.

Patience urged in Peking trade

BY TONY WALKER IN PEKING

BUSINESSMEN WANTING to trade with China will have to show patience and ingenuity, an experienced China trader said yesterday. Mr. Bernard Buckman, vice-chairman of the Sino-British Trade Council, was speaking after several rounds of talks with Chinese officials, including Vice-Premier Wang Zhen. Mr. Buckman said the Chinese freely admitted they had a cash problem, and this was causing difficulties with new projects. However, they would welcome

joint venture participation, particularly in smaller, high industrial projects, which would bring a quick return. Mr. Buckman said the Chinese had given the impression that it may be two to three years before they overcame their liquidity problems. In the meantime, businessmen would have to go through a "marking time" period, but those who saw it through would be well-placed to take advantage of developments in the future. People's Insurance of China has insured Chrysoberyl River Development, a Hong Kong company building a Canton residential project, against delays caused by what Xinhua, the official Chinese news agency, termed political incidents. AP-DJ reports from Hong Kong. The move apparently was designed to lure Hong Kong developers across the border. According to Mr. Lam Mang Hei, a director of Chrysoberyl, which was formed last month by a group of local contractors, the company will be compensated for delays caused by war, riots, political demonstrations or similar disruptions. Although two other housing project contracts were signed this year by Hong Kong companies to build apartments in Guangdong and Fujian provinces, the Chrysoberyl project apparently was the first to be insured by the Peking Government.

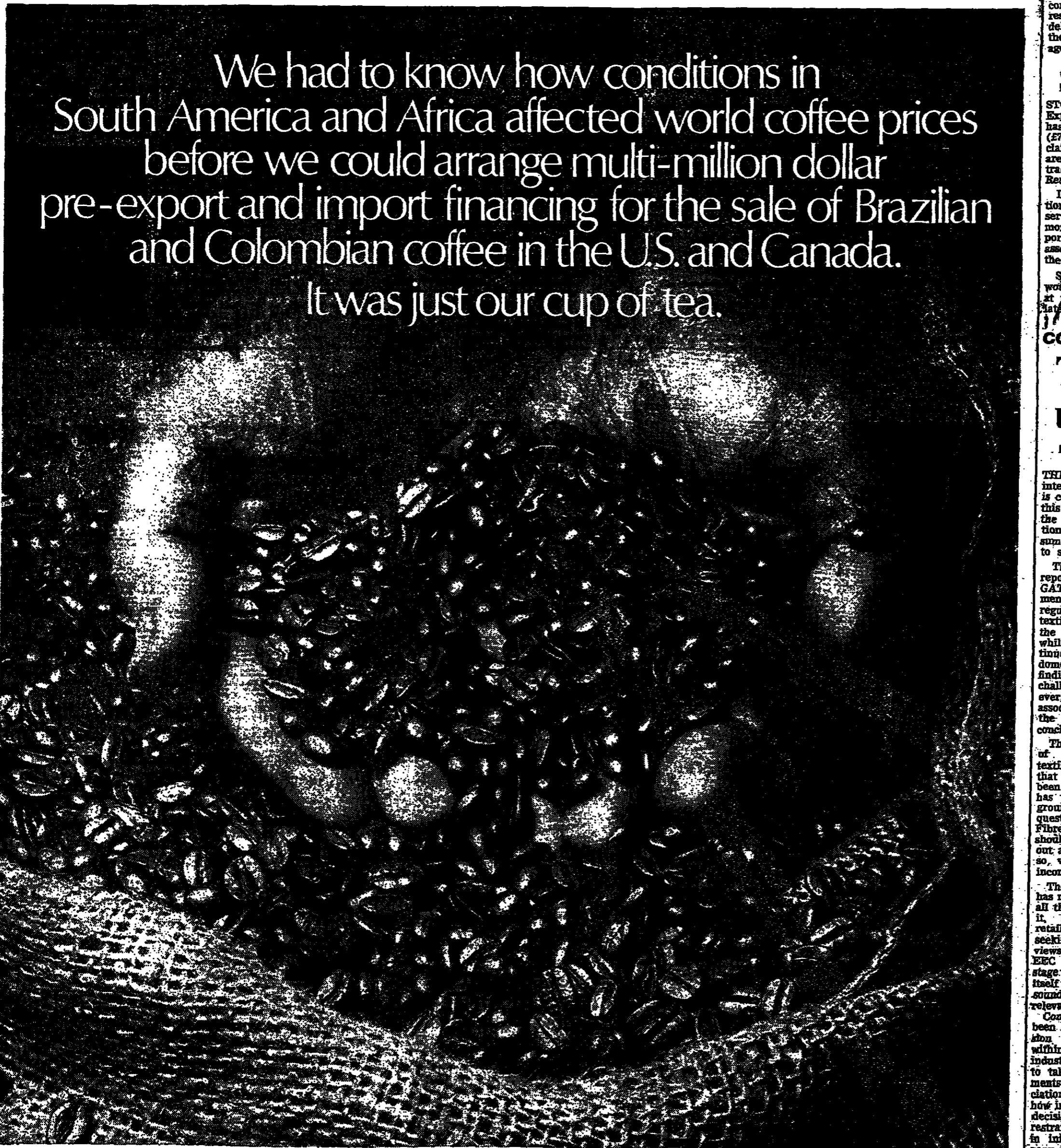
Swedish claims on Iran

STOCKHOLM — The Swedish Export Credits Guaranty Board has insured around SwK 700m (£76m) worth of exporters' claims on Iran, of which many are in dollar denominated contracts, a Board official told Reuter. Iranian Government institutions, which ordered goods and services from Sweden, may have more difficulty than other importers in settling claims from assets outside those frozen in the U.S., the official noted. Should Iran default, the Board would pay the insured exporters at the same speed as is stipulated in each contract, whether payment terms are for cash or over several years of credit, he added. The official said most of the insured export contracts should meet with the new Iranian Government's approval, since they relate to high priority and infrastructure projects, power, transport, mining and electrical equipment. Meanwhile an official at the Swedish Export Council said he thought unsecured claims on Iran were probably much less than the insured SwK 700m. He added that payments in cash or for major projects appear to be more or less on time so far.

Textile pact 'pushes up price of clothing'

BY NHYE DAVID

THE CLOSE season as far as international textile lobbying is concerned is now over, or so this month's strong criticism by the British Textile Confederation of a report by the Consumers' Association would seem to suggest. The association claimed in its report that the effect of the GATT Multi Fibre Arrangement, the agreement which regulates world trade in textiles, had been to increase the price of clothing in shops while failing to stop the continued erosion of jobs in the domestic textile industry. The findings have been strongly challenged by the BTC, however, which has criticised the association's research methods, the size of its sample and its conclusions. The argument is mainly one of interpretation with the textile confederation claiming that many other factors have been at work in the rise that has taken place. In the background, however, is the wider question of whether the Multi Fibre Arrangement (MFA) should be renewed when it runs out at the end of 1981, and if so, what changes need to be incorporated. Though the agreement still has more than two years to run, all the main manufacturers and retailers and importers will be seeking soon to influence the views of Government and the EEC on the shape of the next stage of the MFA, and the EEC itself has begun to take some soundings which could be relevant. Consultants have already been engaged by the Commission to investigate attitudes within the Community's textile industry, with instructions not to take evidence from governments or national trade associations. Its task is to find out how important EEC trade policy decisions, such as import restraint arrangements, are in influencing individual company investment decisions. The EEC is also hoping as a bonus to find out whether the trade association views which it normally receives adequately reflect company attitudes. Formal negotiations on a new MFA are not expected to begin until spring or summer 1981, but in the middle of next year, the GATT authorities will be drawing up a report on the way the agreement has worked and giving their preliminary thoughts on whether renewal is necessary. This will then be put to the GATT textile committee next December. The momentum towards a new agreement has begun and favour of greater access for in Britain and other European countries covering textiles and clothing have begun to sketch out the elements they will want to see their Governments and the EEC take through into the negotiations. The BTC has already drawn up its own tentative ideas which are being put to its elected officers this month, and detailed proposals will begin to emerge early next year. Talks will also be taking place within Comitextil, the European federation of textile trade associations, to try to secure a joint approach. The industry will also be lobbying the Government, whose support will be needed if the industry's ideas are to win acceptance in Brussels. So far the EEC has given only broad indications of the position it may adopt. The commission has apparently accepted the textile industry's demand that a successor to the MFA—itsself the second in the series—is needed and that a country in completely free trade in textiles is no feasible. The prevailing view within the commission, however, would seem to be that the EEC should accept a less restrictive MFA from 1982. In Britain, where there are growing fears of a further major shake-out in the textiles and clothing industries as a result of the growth in imports this year from developed as well as developing countries, suppliers the demand will be for arrangements to be further tightened. The UK case will almost certainly also include demands, too for the EEC's Mediterranean Associates and the Lomé Convention countries to be included somehow within the overall quota limits which the EEC will lay down for products. A present, these countries are covered only by informal agreements and understandings which have frequently been breached. The industry is also likely to press as hard for a recession clause tying the growth in import levels to demand in the market. As the Consumers' Association report has indicated, however, the UK Government will also be under pressure from consumer groups and importers to see some relaxation in present restrictions. The Commission by the different EEC Governments could also be conflicting with the German as in the past likely to be much less enthusiastic than Britain or France over a continuation or strengthening of the present regime. The developing countries will also be seeking to influence EEC attitudes in favour of greater access for their products.

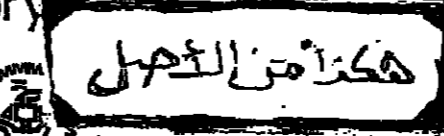


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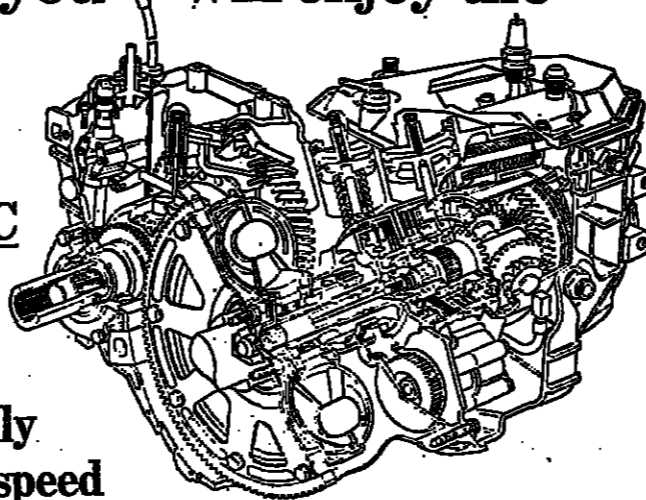
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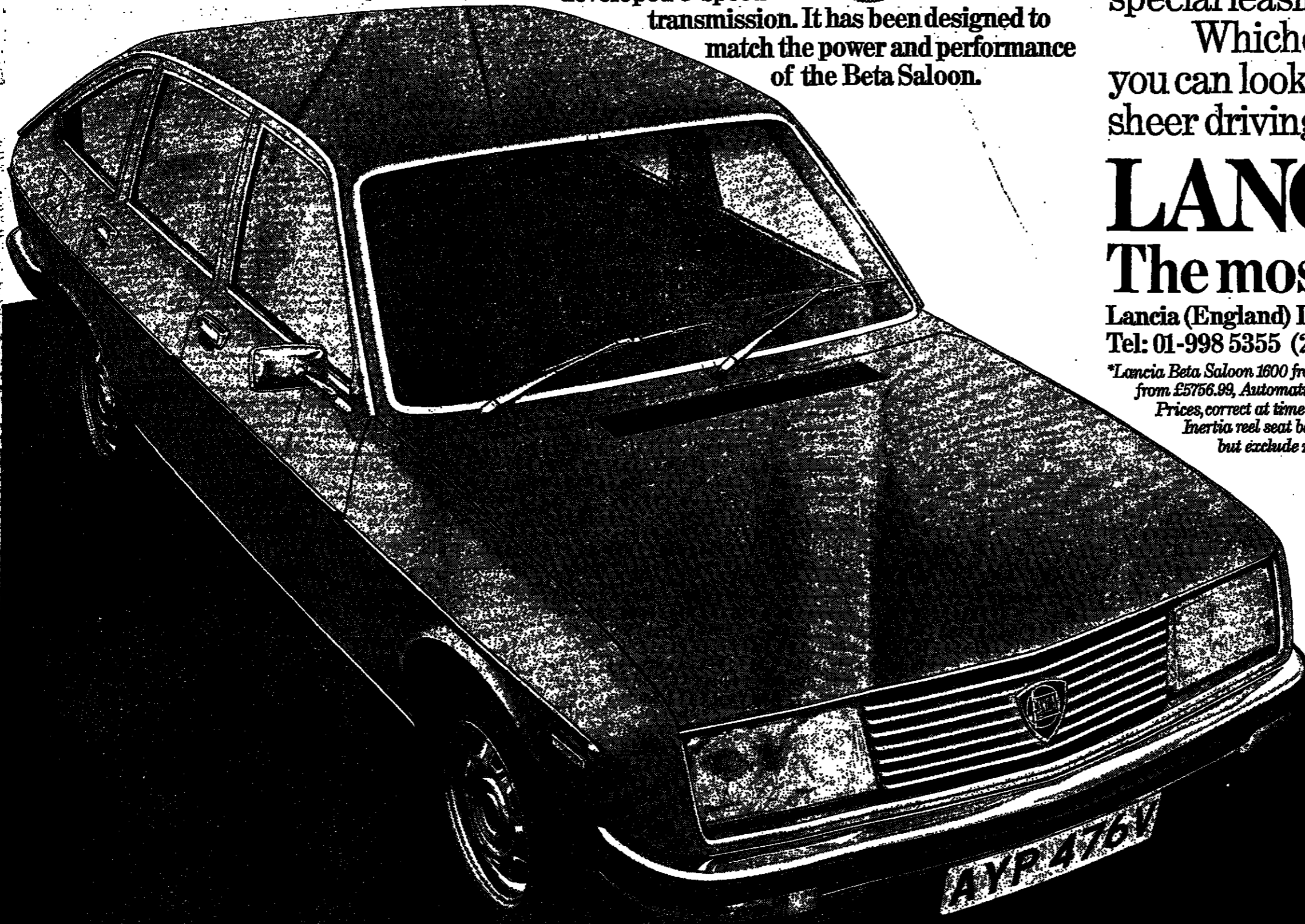
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\*Lancia Beta Saloon 1600 from £5084.24, 2000 from £5377.02, 2000ES from £5756.99, Automatic transmission £151.73 extra. Prices, correct at time of going to press, include Car Tax, VAT at 15%, Inertia reel seat belts and delivery charges on UK mainland, but exclude number plates. †Manufacturers figures.



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Manual from £5084.24\* Automatic from £5538.97\*



UK NEWS

Move on Ulster talks boycott

BY ELINOR GOODMAN, LOBBY STAFF

THE GOVERNMENT yesterday received the first two acceptances to its Northern Ireland devolution conference. It then started a new round of talks aimed to persuade the other parties to attend.

parties in the province—publicly adopting a very hostile posture to the talks.

the conference, has still to make a formal reply to the invitation. Ministers have not given up hope of finding some form of words which would get Mr. John Hume, the party's new leader, to the conference table.

to meet all the parties involved this week. He appears to hope that Mr. Hume, who will be officially appointed as Mr. Fitt's successor tomorrow, would not want to be seen as the man responsible for preventing the talks.



Mr. Graham Clark, aged 34, has been appointed managing director of Rank Xerox (UK). He has been promoted from the job of director of operations for the company.

Crime prevention drive 'a failure'

POLICE in Devon and Cornwall had a disappointing response to a crime prevention campaign aimed at reducing the number of car thefts.

Court date set for Norwest hearing

THE HIGH COURT action being brought by Mr. Ted Brian until September chief executive of Norwest Holst—against his former company will be heard on December 10.

Post Office decision praised

By Elaine Williams THE GOVERNMENT'S plans to end the Post Office monopoly in telecommunications will result in greater competition, said Mr. George Knapp, president of International Telephone and Telegraph's world telecommunications division, yesterday.

EEC ruling means big changes, insurance brokers warned

INSURANCE brokers in the UK will have to become more involved in quality control and in improving risk management services when an EEC directive on product liability is implemented.

£12.5m extension to be started

TULLIS RUSSELL, the privately-owned paper manufacturer, has been given planning permission to build the first stage of a £12.5m extension to its works at Glenrothes, Fife, Scotland.

Sealink fares rise by up to 20% next year

BY ELAINE WILLIAMS on the Stranraer/Larne ferry goes up from £3.70 to £4.40. For smaller cars the rate is increased from £2.70 to £2.95, both increases of 20 per cent.

RAC against cut in road clearance programmes

THE GOVERNMENT has been asked by the Royal Automobile Club to investigate the likely effects of reduced spending on clearing snow and salting and gritting roads this winter.

New plant for turbine blade company

AE TURBINE COMPONENTS, the Associated Engineering company specialising in the production of aircraft components for aerospace turbines and industrial gas turbines, is to build a precision casting facility at Garforth, near Leeds.

Argos cuts toy prices for Christmas

BY OUR CONSUMER AFFAIRS CORRESPONDENT THE ARGOS discount stores group yesterday launched a major price-cutting attack on toys.

Tories' poll posters win top award

THE Conservative Party's general election poster campaign has won the 1979 grand award for poster advertising in a competition sponsored by British Posters and the Institute of Marketing.

Their banker gave them what a good wine needs most. Time.

Advertisement for American Express International Banking. Text includes: "American Express International Banking Corporation's Italian subsidiary finances stocks of wine, giving them time to mature. The wine merchant wanted to increase his stocks dramatically. Because income was a few years off, he needed term finance. Our subsidiary saw that the vintner's market was growing, and gave him the financing he needed. In succeeding years, they gave him a lot more. Working capital for bottling and distribution. And export finance, as well. It takes a bank with an international network of branches and subsidiaries to handle all parts of an international client's business. It takes a banker with imagination to finance wine from grape to glass, from exporter to importer—around the world. With the help of American Express Bank SpA, the winery has had a string of vintage years. If you'd like some vintage years, maybe we can help."

Rodin fetches record £118,000

THE SALEROOM season is moving towards its pre-Christmas peak with remarkable prices at auctions in Monte Carlo and London.

SALEROOM

BY ANTHONY THORNCROFT £271,150 and one of prints which brought £876,570. A Senufo wooden rhythm pounding figure in the shape of a female at work, with good provenance, sold for £95,000 plus the 11.5 per cent buyers' premium and VAT. M. Simpson, the New York dealer, secured a large Dogon female figure for £27,000 and a Hembra wood carvated stool for £15,000.

Over 100 years to build our biggest asset: Expertise

Advertisement for Higgs and Hill Limited. Text includes: "Over 100 years to build our biggest asset: Expertise. Every time we complete a project, so we add to the vast fund of our accumulated skills and experience. These resources become most important in today's uncertain times. Understanding construction problems that can arise enables us to exercise control of costs and to complete on time. Ask John Newton (on 01-942 8921) to talk you all about it, or write for further information." HIGGS AND HILL. "A better way to build". Higgs and Hill Limited. Crown House, Kingston Road, New Malden, Surrey KT3 3ST. Telephone: 01-942 8921 Telex: 28345. UK: London, Leeds, Coventry, Bristol, Manchester, Bath and Falkirk. Overseas: France, Bahrain, Egypt, Qatar and Trinidad.



# Computer to handle 999 calls to Yard

BY JOHN LLOYD

BRITAIN'S largest police force, the Metropolitan Police, is computerising its emergency call procedures, using a £7m system ordered from the U.S. company Sperry Univac.

The heart of the system will be a specially-built computerised central command and control room in New Scotland Yard. It will replace the system which has been used since the mid-sixties.

The control room will be linked to divisional control rooms throughout the capital, and to the 600 police stations, all of which will be provided with terminals.

When complete in 1982, the system will be able to display on video screens in police stations, divisional headquarters and in the Yard, the location of the person making the emergency call (identified by call, by location, or local exchange) and the deployment of police cars and police forces in the area.

Scotland Yard said yesterday that it would "virtually elim-

inate error" in emergency call procedures.

The system comprises a Sperry Univac 1100/82 multi-processor computer, seven V77-800 minicomputers and 600 computer terminals. It has been adopted after a two-year trial with a pilot system installed at Y division, in north London.

## Safeguards

The purpose of the new system appears to be to accelerate police response to emergency calls. But police recognition of public disquiet over computerisation of police records is reflected in a statement made about the purchase by the Metropolitan Police Commissioner, Sir David McNee.

He said: "Computerisation is viewed by some people with alarm. The police service is not insensitive to these fears, and it acknowledges the need for safeguards against misuse.

"Computers, however, offer great possibilities for improving efficiency in the storage, retrieval and security of in-

formation and in the deployment of resources."

A statement issued by Mr. Joek Wilson, the assistant commissioner, said: "This will not make us more remote from the community—we have simultaneously reorganised the force to get more bobbies on the beat."

Public authorities like the police forces are not bound by the preferential purchasing agreement under which central Government departments buy computer systems from International Computers — though there is generally a bias towards ICL by public bodies.

But the preferential purchasing agreement itself will cease at the end of next year under EEC regulations.

ICL says it is unconcerned by this, since public sector purchases now account for only 5-8 per cent of its sales, a share it believes it will hold.

Sperry, on the other hand, said yesterday it expected to benefit from the opening up of the Government market.

# Spend more to build better offices says architect

BY COLIN AMERY

MANY OFFICES built in the last 20 years are likely to have a very short economic life, Mr. Alex Gordon, a former president of the Royal Institute of British Architects, said yesterday in the annual Bosson lecture at the Royal Society of Arts.

The average life cycle of an office building as erected was about 20 years, after which it would need to be refitted. Many office developments built in the 50s and 60s were already in need of extensive refurbishment.

New office buildings were likely to be out of use for three years out of every 20 because they were inflexibly planned when first built. The range of specialist functions in buildings changed so frequently that it was almost impossible to design with any sense of permanence. Financial considerations were now the all-powerful influences on building design.

In both the public and the private sectors choice favoured

the lowest initial cost. In the public sector this was because of the tax structure. In the private sector it was attributable to the impact of discounted cash flow techniques.

The proportion of Britain's national capital formation represented by buildings was considerably less than that of other countries in the EEC, except Ireland. Mr. Gordon criticised this "short-sighted" approach and felt that it was building up problems for the future.

There is no future, Mr. Gordon said, in the worldwide trend towards a "throwaway society." The only way to encourage repair rather than renewal was to use a larger proportion of national resources for better quality buildings.

Architects must be prepared to tell clients that they must spend more initially to provide buildings that would serve them for a long time.

# Big rise in micro controls forecast

Financial Times Reporter

THE WESTERN European market for microprocessor-based process control instrumentation will grow dramatically in the next few years—from £8.94m last year to £124.56m in 1984 and £404.65m in 1989—according to a report by U.S. consultants Frost and Sullivan.

The growth—of 1,700 per cent over the forecast period—is paralleled by a huge increase in the share of the market for control instrumentation which microprocessor-based systems will command. That is scheduled to increase from less than 1 per cent last year to 12 per cent by 1984 and 32.5 per cent by 1989.

West Germany will provide the largest market in Europe, with a share of 27.7 per cent, worth \$75m, in 1984, and growing to 35 per cent, worth \$305m in 1989. The UK will be in second place in 1984, with a 26 per cent share worth \$70m, but is forecast to lose its place to France by 1989.

In 1989 market shares are forecast to be: Germany 34.8 per cent; France 20.5 per cent; UK 20 per cent; Italy 10.8 per cent; and others 13.7 per cent.

The chemicals and petrochemicals sector is the largest user of process control instrumentation. This position is expected to be maintained in the next ten years.

The power generation market is expected to increase particularly rapidly, from a market worth \$1m in 1978 to one worth \$225m in 1989.

A number of UK companies are engaged in strengthening their presence in this sector. Apart from General Electric, these include Thorn and Northern Engineering Industries.

# Road haulage costs up 9%

ROAD HAULAGE costs rose by about nine per cent in the third quarter of the year, according to the Freight Transport Association.

The increase compares with the rise of 21 per cent in costs over the previous 12 months, a period which included the sharp rise in fuel prices.

# Chipboard gains over plywood

BY RAY PERMAN, SCOTTISH CORRESPONDENT

AFTER SEVERAL difficult years in which production had to be cut severely, the UK chipboard industry has expanded and recaptured some of the market share it lost to imports.

Mr. Bob Watson, chairman of the British Wood Chipboard Manufacturers' Association, said yesterday figures for the first nine months of this year showed the UK market rose more than 11 per cent to 1.5m cubic metres.

In addition, although one company closed in September British mills were increasing their market share, from 27.6 per cent in 1978 to 30.9 per cent.

Sales in Britain in 1979 were expected to be 10 per cent above the level for last year, rather than growing by only 5 per cent as forecast a few months ago.

Mr. Watson said this advance must have been made at the expense of plywood and other sheet materials, since building activity was decreasing and the furniture industry was operating below peak capacity.

Users of chipboard had accepted the need for higher selling prices, made necessary by the cost of the chemical

binding material used in manufacture, which was oil-based.

But cost increases had left foreign producers harder than those in the UK and importers were finding it difficult to get supplies of low cost board from overseas.

In the past few years, British manufacturers have fought against low price imports and have brought actions for dumping against several countries.

But Mr. Watson said exports from Sweden, Germany and Belgium, whose producers could cover production costs in their own home markets and were therefore able to export at marginal prices, still posed a threat to the UK industry.

They could start exporting again as soon as their home markets became profitable.

"The outlook for next year is unclear. With further cuts clearly forecast for building and furniture, it is difficult to predict even the maintenance of current demand levels," Mr. Watson said.

"But with cost controls being applied, there could be market opportunities for chipboard when builders and other manufacturers realise the savings that can be made by using it."

# Charity for homeless warns against cuts

THE PLIGHT of hundreds of homeless pensioners who are sleeping rough or in temporary accommodation is emphasised in a report, published yesterday, by the Crisis at Christmas organisation.

Mr. Nicholas Scott, the Conservative MP for Kensington and Chelsea who is chairman of the charity's trustees, writes in the report—More In Sorrow Than In Anger—that it seems tragic that people of pensionable age still slip through the welfare state system.

"Many have been homeless and alone for years, some come from broken homes, others are mentally or physically disabled, and others have succumbed to the pressures of modern life," he writes.

Mr. Scott, in an appeal for funds to help agencies which care for the single homeless, says that the projects the charity supported will be hard-

pressed during the present economic stringency.

"In particular, two of our agencies are directly affected by the withdrawal of the Department of Health and Social Security's funding to non-hospital projects working in the field of alcoholic rehabilitation, and the passing of responsibility for this work to local authorities," he says. "It is unlikely that they will be able to fulfil this role."

Dr. Richard Smith says in the report that next spring the Government will withdraw grants totalling nearly £230,000 to voluntary organisations which provide hostels for homeless people with a drinking problem. The Government estimates that there are 500,000 people with a drink problem, but much of the help for them will disappear if these cuts are made, he says.

# High interest rates may mean disaster for many companies

BY ELAINE WILLIAMS

HIGH interest rate levels could mean disaster for many companies if sustained for too long, Mr. Donald Grant, president of the Institute of Chartered Accountants of Scotland, said yesterday.

He also gave a warning that new enterprises would be deterred and called on his members to help industry and commerce through the difficult economic period ahead.

Mr. Grant commented: "With the disappearance or contraction over the last few years of several of our traditional industries, it is necessary that new industries and skills must be encouraged." Accountants should cast off their "hibernated" and restricted outlook and accept a full role in the development of commerce and industry. Although government development

and banks played a major role to encourage new enterprise, a deplorably small number of businesses are set up, Mr. Grant added.

He said, however, that there were signs that the flood of bureaucracy which had beset the UK since the last war was receding. There was an opportunity to support ambition and enterprise and to give due reward for hard work.

Many people who had the ability to become entrepreneurs lacked the blueprint for their aspirations and so denied themselves the opportunity of obtaining initial funds or backing to start on their own.

There is an area where the Government could make a major contribution, Mr. Grant said. It is the area of management education. The Government should fund a management education programme for young people, which would be a major contribution to the development of the country.

their case for backing and to guide them through the initial minefields of financial, accounting and business problems."

But he warned: "In our capacity as auditors of companies we are becoming little more than highly skilled technicians, who increasingly are expected to follow fixed lines and systems in carrying out our work."

It was time for auditors to report on a much wider basis on the effectiveness and general efficiency of the company.

But he commented: "There will be those particularly in larger companies who say this is an unwarranted intrusion into the realms of management. But I see it simply as complementing the role of management. It is a major contribution to the development of the country."

# Alternative energy study criticised

BY DAVID FISHLICK, SCIENCE EDITOR

AN OPEN University proposal that Britain could replace its nuclear power programme with a variety of other energy sources, thereby saving money and creating more jobs, has been severely criticised by Aberdeen University.

Professor David Pearce, professor of political economy at Aberdeen, alleges the study contains major errors which not only render it valueless, but constitute "a retrograde step in the debate about the comparative desirability of nuclear and non-nuclear futures."

Professor Pearce has been helping the Department of Energy assess proposals for national energy mixes which would minimise future demand, in particular for nuclear energy.

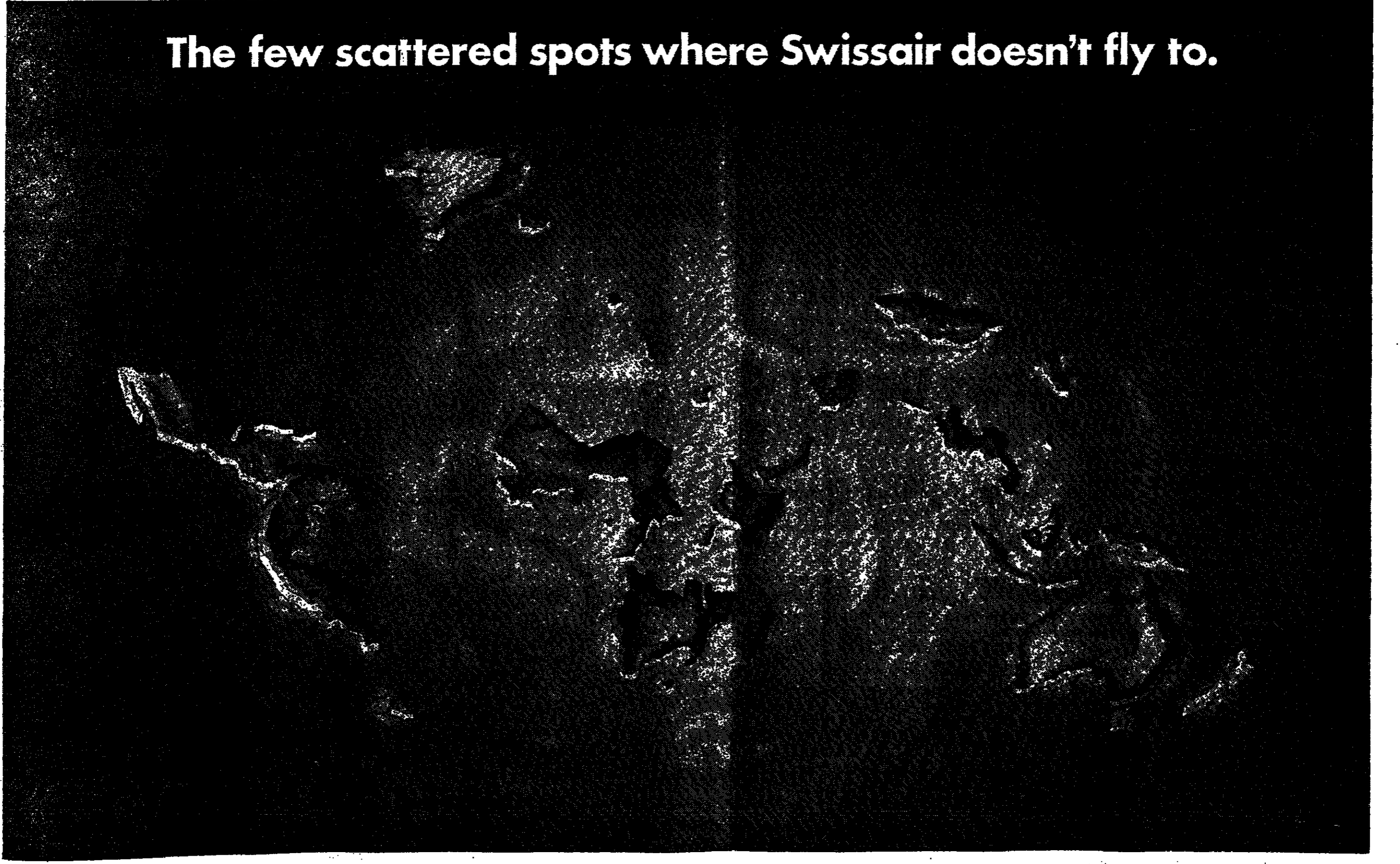
The Open University study, "Energy options and employment," was published last February. Its main author Dr. David Elliott.

opponents seeking to demonstrate that plans of successive British Governments to expand Britain's nuclear capacity would harm the economy.

The study attempts to show how the 40,000 MW of nuclear capacity, as assumed by the Department in its forecasts for Britain by the turn of the century, could be replaced by a mixture of other energy sources—wave, tidal, wind and solar—plus energy conservation programme.

Professor Pearce says even though the study has exaggerated the contribution which might be made from alternative energies, its total still falls short of the nuclear capacity assumed. It also exaggerates the quality of the energy which could be obtained from alternative sources.

On the question of costs, he says the study has considerably over-estimated the probable costs of the nuclear programme by £8bn-£13bn.



## The few scattered spots where Swissair doesn't fly to.

Possibly the great wide world has become so tempting just because it's no longer so great and wide. You no longer journey by land and by sea, uphill and down dale, through many realms. You just take your seat in an aircraft, and in a few hours you're on another continent.

That naturally simplifies the map of the world. Instead of a route, you need only choose an airline; and know where it flies to.

With Swissair, as a matter of fact, it's almost simpler to remember where it doesn't fly to. (See map.)

Not shown on the map: in Europe there are more than 40 Swissair destinations, in Africa 19, in the Middle East 11, and in the Far East 9 (the tenth, Jakarta in Indonesia, opens in April 1980), in South America 4, and in North America 5.

And the beauty of it is: Subject to change.

swissair

# Union chief defends direct labour

BY ANDREW TAYLOR

GOVERNMENT proposals to introduce stricter controls on local-authority-controlled direct labour organisations have been strongly criticised by Mr. Les Wood, general secretary of the construction union UCATT.

Mr. Wood said: "The closing or cutting of direct labour organisations will allow unrestricted profiteering by private contractors." He estimated that 250,000 jobs would disappear if over 500 such organisations were wound up as a result of projected legislation.

"DLOs have been the butt of a sustained political campaign

by private contractors and the Tory party, anxious to ensure that DLOs do not receive an increased share of a depressed construction market and do not provide competition for contractors who would otherwise be able to tender for work at much higher prices," added Mr. Wood.

The Government intends to introduce legislation giving it the right to close local-authority DLOs which have been "consistently unsuccessful."

It has said that DLOs would be expected to earn a rate of return equivalent to the average in the private sector. An initial

target of 5 per cent return on capital employed seems likely to be set.

A consultative paper produced by the Department of Environment this year said that proposed legislation "would empower the Secretary of State to remove or curtail the powers of an authority to employ its own direct labour where it has shown itself to be consistently unsuccessful."

In addition, the proposals included measures to ensure fairer competition between DLOs and private industry for public construction contracts.

# Sales survey offers little cheer for building industry

BY ANDREW TAYLOR

SALES OF building materials are still clinging to a level slightly higher than that of a year ago, but the outlook for the industry remains uncertain, according to the latest Builders Merchants' Federation survey.

The monthly figures show that sales in September were 2.1 per cent higher than those for the same month last year, while sales on a cumulative 12-month basis were 4.6 per cent higher, virtually the same position as in August.

Mr. Reg Williams, director of the BMF, said: "It is impossible to say whether there is any change in the gradually declining trend over the past five months, but it would be unwise to be too hopeful."

The figures follow a series of depressing workload surveys, published by various bodies in the construction industry, which indicate a decline in the rate of new orders this autumn.

Output figures have been distorted this year by bad weather and the industrial action of last winter, which led to a "catch-up" period of activity during the summer. Latest surveys indicate that this has now come to an end.

Sales by builders' merchants have also been cushioned to some extent by home improve-

ments, repairs, and maintenance work, one of the few growth sectors for the construction industry over the past 18 months.

The industry is now uncertain what effect record interest and mortgage rates, combined with sharply-rising building costs, will have on this market.

The BMF figures show that sales of building materials in North-East England had risen by 12.2 per cent in the 12 months to the end of September, closely followed by Scotland, 11.5 per cent. Sales in London and the South-East rose by 6.5 per cent.

The only area to show a decrease over the year was the Midlands, where sales have fallen by 7 per cent.

# Ladbroke would go for new licences

BY JAMES BARTHOLOMEW

LADBROKE GROUP will start procedures necessary to apply for new casino licences next year if Knightsbridge Crown Court refuses to renew existing ones.

Four of its licences relating to three operating casinos are currently being opposed by the police and the Playboy Club. The licences concern the Hertford Club, the Hyde Park Casino and the Ladbroke Club, three of the group's most profitable properties.

Ladbroke is appealing in the Crown Court against the refusal of South Westminster magistrates to renew the four licences last July.

The Ladbroke Club probably has the "biggest game" in London—that is, it will accept the largest bets. The casino division as a whole is estimated to have contributed about half the group's total profit of £41m in 1978.

Mr. Geoffrey Spreckley, head of Ladbroke's casino activities, said that the group would definitely apply for new licences if it lost the existing ones. Before it can apply, it must obtain "certificates of consent" from the Gaming Board of Great Britain. These certificates are permissions to apply.

Mr. Spreckley said the chances of receiving the certificates would depend on the reasons which might be given by the Crown Court for refusing to renew the existing licences.

# Orders for bulk carriers revive

BY WILLIAM HALL, SHIPPING CORRESPONDENT

THERE has been a sharp increase in the number and tonnage of bulk carriers ordered over the last three months. Fairplay International, report that 86 bulk carriers totalling 4.8m dwt were ordered in the period August-October 1979, nearly double the tonnage ordered in the previous three months.

The growth in orders reflects this recovery in the dry cargo market this year. In the November-January quarter, shipowners placed seven orders for 0.2m dwt, in February-April this rose to 35 ships (1.2m dwt), and in May-July 52 ships (2.6m dwt) were ordered.

The increase accounted for over half of all new orders placed at world shipyards, says Fairplay International's World Ships on Order. In the three months to November 1979, 317 ships (9.1m dwt) were ordered, the highest figure for several years.

During the latest period, orders for tankers fell from 133 ships (5.1m dwt) to 85 ships (3.2m dwt). Orders for 144 dry cargo ships (0.5m dwt) and eight container ships (0.1m dwt) were placed. The latter was the lowest figure for several years and reflects the growing overcapacity in this sector of the market.

Japanese shipyards won orders for 130 ships (4.8m dwt) during the past three months and it appears that many of the yards there which were declared

Vessels on order		
Month	No.	Tons dwt
Jan. 1974	3583	266,365,994
April 1974	3583	273,037,888
July 1974	3579	265,779,176
Oct. 1974	3673	260,158,445
Jan. 1975	3586	245,634,119
April 1975	3551	230,055,704
July 1975	3372	202,929,945
Oct. 1975	3238	187,465,113
Jan. 1976	3212	162,647,910
April 1976	3250	145,287,128
July 1976	3238	126,990,922
Oct. 1976	3318	119,200,565
Jan. 1977	3352	107,591,560
April 1977	3180	94,909,732
July 1977	3062	85,449,744
Oct. 1977	2978	78,950,159
Jan. 1978	2784	69,643,368
April 1978	2626	64,048,463
July 1978	2576	60,680,299
Oct. 1978	2403	56,519,318
Jan. 1979	2325	53,801,869
April 1979	2191	51,482,047
July 1979	2142	53,361,427
Oct. 1979	2171	57,302,683

Source: Fairplay International

# MPs in talks to save textile trade

BY RHYS DAVID, TEXTILES CORRESPONDENT

LEADING industrialists, trade union leaders, MPs and members of the European Parliament are being brought together in Bradford on Friday by the West Yorkshire Metropolitan County Council to discuss problems in the wool textile and clothing industries.

The move follows the recent loss of several thousand jobs and fears that further closures may be on the way.

Mr. John Holt, chairman of the county council's employment and economic development committee, said yesterday: "In the past other attempts have been made to show governments that the wool textile and clothing industries are being battered almost out of existence. Unfortunately they do not so far appear to have gained any positive responses from the Government. This time we mean to keep up the pressure."

In the past two years 12,000 jobs had been lost and the rate appeared to be accelerating.

"The major problems faced by the industry are the ones of unfair competition. Dumping of textiles by Eastern European and Mediterranean countries is also of great concern."

Breaches of quotas and misleading labels on Italian imports were also undermining the home market.

# Britain's record thirst for wine

THE BRITISH are likely to drink more than 100m gallons of wine this year—14m gallons more than last year.

Mr. Vincent Larvan, chairman of the Wine and Spirit Association, said yesterday that Christmas sales were expected to push the total past the 100m gallons for the first time.

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In fact, from the moment exchange controls were lifted, our journalists, correspondents and contributors have been working to this end. Getting information first hand. World-wide. And establishing the facts, verifying the figures, to enable them to provide the informed comment essential to an authoritative study.

The end-product will be a survey of exceptional importance to Banks, Insurance Companies, Brokers and, of course, Industry and the private investor.

To ensure that you, your colleagues and your staff are fully briefed, reserve copies of the FT's December 3rd issue through your newsagent. Alternatively, telephonic any of the Financial Times offices listed below. They'll give you order priority.

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The contents, size and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.

# Guernsey income tax to stay 20p

THE STANDARD rate of income tax in Guernsey should stay at 20p in the pound and there should be no increase in indirect taxation, says the island budget report published yesterday.

Substantial improvements in income tax allowances for 1980 are also proposed in the report, by the island's finance committee. It is due to be debated by the island Parliament on December 12.

The report shows that the island's balance on revenue account this year, before charging capital expenditure, is likely to be £5.2m compared with the original estimate of £3.2m.

One of the main factors has been an additional £2.5m in income tax receipts over the estimated £30m.

Next year's improved tax allowances will cost £1.8m for Guernsey and £72,000 for Alderney.

# University unit given £60,000

THE INTERNATIONAL business unit at the University of Manchester Institute of Science and Technology has been given a £60,000 award by the Leverhulme Trust to expand research into international management contracts.

The unit's research, which will concentrate on the developing countries of the Middle East and Central Africa, will investigate the general principles and practices behind such contracts and build up an expertise which will be available to British industry and Government policymakers.

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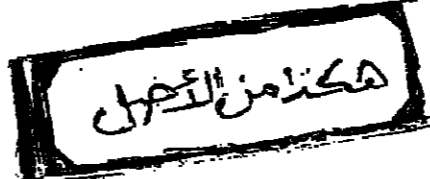
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# Shell drivers reject offer worth up to 23%

BY PHILIP BASSETT AND GARETH GRIFFITHS

SHELL'S 2,500 tanker drivers and distribution manual workers yesterday rejected the company's latest pay offer, worth between 22 and 23 per cent in a full year.

A delegate conference of senior Transport and General Workers' Union shop stewards voted to reject the offer on the advice of their negotiators. The union wants more on basic pay and a back payment to July of 10 per cent.

comparable offer to that worth 21.5 per cent now being considered by the company's manual workers. The offer, which was still being discussed last night at talks between the company and the three unions representing the white-collar staff, gives increases of 20.5 per cent on rates and other improvements.

# BBC action 'has cost £820,000'

By Gareth Griffiths, Labour Staff

THE BBC estimates the regrading dispute with the Association of Broadcasting Staff has cost it £820,000 over the past fortnight in lost production of 46 programmes.

# Ezra warns miners: pay offer already too high

BY PHILIP BASSETT, LABOUR STAFF

SIR DEREK EZRA, chairman of the National Coal Board, said yesterday that in making the 20 per cent pay offer on which Britain's 240,000 miners will vote on Friday the board had gone beyond what the industry could afford.

which the industry relied. "The books have been opened to union negotiators and show we have already exceeded the limit the industry can afford."

Sir Derek, writing in a special issue of Coal News, the board's journal, formally opened a public campaign to persuade the miners to vote against the recommendation of the National Union of Mine-workers' executive that the offer be rejected.

The special issue of the journal, which will be followed by an edition of the union's own paper urging support for the executive's rejection of the offer, sets out details of the board's proposals. These would raise the highest coalface basic rate from £34.95 to £101.95 and the minimum surface rate from £61.35 to £73.65.

yesterday by the South Derbyshire area executive of the union, representing a traditionally moderate miners' area, to intervene before the ballot and get the offer increased. Mr. Ken Toon, a national executive member, said the area executive believed Mrs. Thatcher could tell Sir Derek Ezra to reopen the pay talks.

# Yorkshire opencast strike

BY OUR LABOUR STAFF

OPENCAST miners at two sites in Yorkshire yesterday came out on strike over productivity agreements. All 8,000 workers at sites throughout the country are due to stage the second of their four planned one-day strikes tomorrow.

Nearly 100 men at the Gamblethorpe and Angler's sites of Fairclough Parkinson, a Leeds based opencast company, walked out over an argument over what the workers said were penal clauses in productivity agreements. A further 350 opencast workers are in a separate dispute at a site at Westfield in Fife.

Mr. George Henderson, Transport and General Workers' Union national secretary for building and construction, said yesterday that after last week's one-day stoppage, which he claimed had been fully supported, there had been calls for an intensification of the action.

The dispute is over an increase and extension of allowances negotiated on top of the main national civil engineering agreement.

# Pickets let oil through

PICKETS at Charing Cross hospital, London, allowed vital oil supplies through last night—only hours before stocks were expected to run out.

Earlier, Mr. Vic Ripley, for the hospital, said an Esso tanker was standing by outside the hospital while the Esso management talked to engineering workers to try to get them to agree to let it through. At that stage, he said, it looked like stalemate.

Mr. Ripley had said the hospital would stay open, even if it ran out of oil, because there was no room elsewhere for all 350 patients. A lack of oil would have meant cold wards, no hot water for washing, cooking or sterilising equipment.

The strike, by 55 engineers, started when two were sacked for refusing to change an air filter because they said it was their job.

# TUC boycotts NEB

BY ALAN PIKE, LABOUR CORRESPONDENT

THE TUC is to boycott the National Enterprise Board following the disagreement over the Government's decision to transfer direct control of Rolls-Royce to the Department of Industry.

The finance and general purposes committee of the TUC yesterday decided to recommend that trade unionists serving on the North Western and North Eastern regional boards of the NEB should resign and not be replaced. These boards—each has one trade union member—have until now continued intact in spite of the mass resignation of the main board last week.

Members of the TUC finance and general purposes committee yesterday considered a request from Sir Keith Joseph, Industry Secretary, that they should nominate trade unionists to serve on the new board.

But the committee decided to propose to the full TUC General Council tomorrow that there was "no room on which trade union representatives could serve" on the new board, given the shabby

way the old board had been treated."

TUC representatives intend to use the next meeting of the National Economic Development Council on December 5 to express to Ministers their deep concern about the Government's attitude towards the NEB.

The national executive committee of the AEB will meet to discuss the dispute. The union policy is to back walk outs by staff affected by a regrading freeze. The AEB has said it will only resume discussions on a new grading system if the freeze is lifted.

The BBC says about 450 people who have walked out have been taken off the pay roll, including 150 regional staff.

Most of them have been sound staff and technical operations crew members.

# Welsh TUC seeks coke row talks

BY ROBIN REEVES, WELSH CORRESPONDENT

WALES TUC officials are to seek an urgent meeting with the British Steel Corporation and the National Coal Board to press for a quick solution to the row over increased coking coal imports.

The move was decided in Cardiff yesterday at special talks between trade unions involved in the controversy. The meeting, which included representa-

tives of the transport and steel unions as well as the mining unions, gave unanimous backing to the NUM's campaign against BSC's increased purchases of foreign coking coal.

The NCB has warned they could trigger pit closures and jobs losses in the UK mining industry. Besides giving its general support, the meeting also gave unanimous backing to the planned blacking of an

18,000 tonnes shipment of U.S. coking coal which is due to arrive at Newport, Gwent, in about a week's time, destined for the BSC's Llanwern steel-works.

Newport dockers have already agreed to an NUM plea to block the cargo unless a satisfactory agreement is arrived at between the two nationalised undertakings in the meantime.

# Former FT writer challenges finding of industrial court

FORMER Financial Times journalist C. Gordon Tether, 30, was dismissed after an editorial dispute over the content of his daily column, aimed yesterday that during 15 years on the newspaper he had been given the "prescriptive right" to choose his own subjects and to write about them in his own way.

He was speaking at the employment Appeal Tribunal in London, where he is challenging the rejection by an industrial tribunal of his unfair dismissal claim.

Mr. Tether, 65, of Lawford's Hill Road, Worplesdon, Surrey, had claimed reinstatement and compensation.

The industrial tribunal had rejected after a 44-day hearing that he was dismissed in 1976 because the working relationship between him and the newspaper's editor, Mr. Fredy Fisher, broke down irreparably under his contract, he was not to write on matters of his own choosing, the tribunal held.

Mr. Tether told the appeal tribunal yesterday: "My case is that there is overwhelming evidence that, under the editorship of Sir Gordon Newton, I retained the prescriptive right to choose my own subjects and to write about them in my own way."

In bringing the appeal, he said, he had no desire to harass or threaten the Financial Times. "I said Mr. Justice Slynn, who was sitting with a lay judge from each side of industry."

Mr. Tether said the outcome of the case could have important implications for Press freedom and job security, particularly in the field of journalistic supervision. He said that the dispute over control of his column arose during 1973, the first year of the editorship of Mr. Fisher, who succeeded Sir Gordon Newton.

"My case was that I chose the subject of the articles and decided how to deal with them throughout the 15 years in which I was writing the column under Sir Gordon Newton. There was no arrangement whereby I should consult the editor on either of these matters."

He submitted that one of the errors made by the industrial tribunal was to treat the concept of editorial control "as though it was a kind of monolithic entity."

He added: "They failed even to recognise the possibility that it could take different forms and be exercised in different ways in relations to different journalists."

He argued that a suggestion for a "lay off" a certain subject for a while could not be taken to indicate a general right of an editor's part to control subject matter. There was no

evidence of any difficulties in his relationship with Sir Gordon.

Mr. Tether said the first "bannings" of his articles occurred early in 1974 and continued at a gradually increasing rate.

"My case before the industrial tribunal was that, in behaving in this way, the editor was trying to restrict my freedom to express my view in the column. This was in breach of my contract with the Financial Times."

He maintained there was evidence confirming that there was no arrangement requiring him to consult Sir Gordon about subjects or how to write them.

"He (Sir Gordon) confirmed that over 18 years I was not asked on a single occasion to write or not write a subject," Mr. Tether said.

He submitted that the industrial tribunal findings were "in broad terms perverse from start to finish."

Employers did not, as a general rule in contracts of employment, have a right to make material changes in the terms and conditions of employees without their consent. Mr. Tether maintained. Had the tribunal directed itself properly in law, it would have concluded that the editor could not alter a journalist's job without his consent.

No reasonable tribunal could have found that the Financial Times had discharged the burden of proving an established custom in Fleet Street whereby editors had the right to alter unilaterally the jobs of their journalists.

"To imply a term that the editor has a divine right to alter the job of a journalist would be totally unreasonable and unnecessary having regard to the circumstances," Mr. Tether said.

"The implication of such a term leaves the employee without protection from tyrannical or arbitrary behaviour by an editor and totally deprives him of job security."

"To give an employer such unfettered discretion is totally inconsistent with the nature of employment relationships in the final quarter of this century."

Mr. Tether said the reason Mr. Fisher wanted more control over his column was dissatisfaction with the quality of some of the articles. "If he had not taken this attitude there would have been no dispute and no dismissal."

Mr. Tether criticised the tribunal for not making a finding on the issue over his competence. "There was overwhelming evidence there had been no decline in competence and that the quality of the articles banned was as high as those that were published."

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# FINANCIAL TIMES SURVEY

Tuesday November 27 1979

# BUILDING INDUSTRY

After a modest revival in output, the UK building and civil engineering industries are again confronted by a downturn in the volume of work. The prospects of recession and a further pruning of public expenditure promise to make the early 1980s another difficult period.

## Braced for a rough ride

By Michael Cassell

WITH LITTLE more than the benefit of bitter experience to sustain it, the building and civil engineering industry in the UK is bracing itself for another rough ride.

An industry which in recent times might appear to have become more experienced at lobbying than at labouring again faces the prospect of a sustained downturn in domestic construction work. At the same time, the overseas work which invariably has compensated many of the larger contractors for the poor home market has become steadily more difficult to win.

The industry's persistent pleas of hardship and repeated warnings about the permanent damage being inflicted upon its capacity may not ring entirely true with anyone trying to get a contractor to carry out minor building work but there are nevertheless few grounds for optimism about the overall outlook.

The fresh downturn in the building and civil engineering industry's prospects comes after

what has proved recently to be one of the rare periods of relative buoyancy.

In 1978, the constant (1975) value of construction output in the UK rose for the first time since 1973, a revival based largely on an upturn in repairs and maintenance work—hence the difficulty in obtaining a small builder or skilled labour—and some improvement in private sector work, involving commercial and industrial projects. Refurbishment has also taken on an added importance.

This year, repair and maintenance work has again provided a source of growing business, although the annual increase in the current 12 months is expected to be only about 4 per cent against the 18 per cent rise in 1978. There has also been some continuation in improved output levels in the private commercial and industrial sectors.

But throughout, the all-important public sector has provided absolutely no growth, whether in terms of housing or any other aspect of construction involving public funds. Not since 1976 has the value of output in real terms of public sector housing increased and only once in the decade (in 1973) has the total value of all other public sector construction work risen. Even then the increase was limited to 1 per cent.

This year has been no different, with the value of public works contracts likely to end around 3 per cent below the poor 1978 level. It was expected that the pattern of gradually declining contracts in the public sector would be repeated in both 1980 and 1981 and now with this month's White Paper behind it, the industry

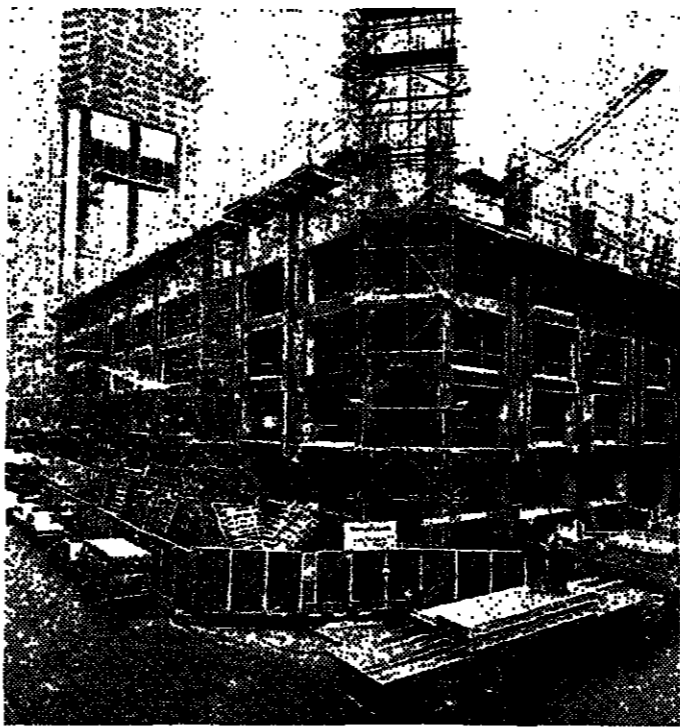
accepts what was a probability as a fait accompli.

For even if Ministerial assurances, that there will be no substantial changes in construction expenditure over the next financial year when compared with the previous two, are accepted the industry believes that such low output over a sustained period will be permanently crippling. The intention to maintain spending on new construction at about £7bn a year may be preferable to further cuts but the industry has wasted little time in pointing out that the value of output at the start of the present decade was nearer £10bn.

It is still difficult to determine the real extent of the impact which the Government's expenditure proposals will have on the building and civil engineering sector, as the construction content of many Departmental programmes is hard to extract from the overall figures.

Whatever the outcome, construction is without doubt to be deprived of any of the growth which it so urgently seeks. Few sectors within the industry can expect to be hit so severely as the civil engineers, whose calls for additional work have been ignored in the face of wider and more pressing political priorities, despite the widespread acceptance that their argument is a strong one.

The continuing decline in public works has pushed the civil engineering sector at home into recession, with high unemployment and under-use of contractors' plant and heavy materials production capacity. The Budget earlier this year, with its cutback in the spending of regional water authorities, did little to stimulate hopes



The Whitbread's site scheme in Chiswell Street, one of the largest projects under construction in London, will provide 400,000 sq ft of office space on the fringe of the City. British Petroleum is having discussions with the developers, Whitbread and Trafalgar House, about possible purchase

on such items as educational building, local authority housing and new buildings for the nationalised industries.

What makes the industry's overall plight seem worse is the prospect that the few bright spots which have helped sustain it through the last of many difficult patches could now also show downturns in activity.

With the recession, contracts for private industrial and commercial building work, as well as for repair and maintenance, are expected to fall. There are already signs that this is happening and if the decline in this type of work continues alongside dwindling public sector business then the outlook looks even more serious.

For many building companies, there is little escape from the bleak picture and they face a period of even tougher tendering and some fairly slim or non-existent margins.

Only contractors whose scale of operations embraces civil engineering work and the ability to compete in foreign markets can expect to soften the blow. Even here, however, the scene is changing and the most experienced of international contractors are confronted by mounting difficulties in obtaining work.

The largest civil engineering companies have now accepted that overseas turnover cannot be sustained at the levels achieved in the past few years and are, in consequence, either spreading their net further afield or diversifying into different branches of construction such as process engineering.

But in the face of such daunting prospects at home and overseas, for builders and civil engineers alike, the industry—

which employs more than 2m people and accounts for more than 10 per cent of Gross Domestic Product—has been thinking collectively about ways of improving its chances of recovery and the role it could play in any wider economic revival.

The industry plans to reinforce the message contained in the building and civil engineering economic development committees' report, "Construction for Industrial Recovery." The report, which has been welcomed by the industry but which has yet to attract much wider support, claimed that manufacturers, unions and the Government had all so far underestimated the importance of modern industrial plant in terms of greater productivity and better industrial relations.

### Criticisms

The EDCs are also still concerned that initial tax allowances for industrial machinery are more favourable than those for buildings, and they reason that, if the allowances are designed to help cash flow at a time of major expense and disruption, then the case is probably stronger for buildings than for machinery.

The committees are studying criticisms from industrial customers concerning the service provided by the building industry in respect of average construction periods and the rectification of faults in new premises. There is also concern about the lengthening preconstruction periods for some types of major civil contracts, which often means that even the limited funds available are not being taken up and spent.

Faced with a government which aims to move provision of services from the public to the private sector, the construction industry is emphasising that such a policy has strict limitations in the case of basic infrastructure such as roads, railways, water distribution systems and airports because the Government is often the only supplier. But the civil engineers are examining the prospects for introducing private venture capital or even EEC funding to augment the reduced allocation of funds from public sources.

In this way, they see a possible method of financing such major projects as the rail-only Channel tunnel, the third London Airport or major railway electrification programmes.

The EDCs are also carrying out a vigorous examination of the international performance of the UK building and civil engineering sectors. They are pushing for closer co-operation between construction operations within the private and public sectors and between consultants, contractors and suppliers of materials and equipment when it comes to assembling bids for overseas contracts.

In the past, the construction industries have often been accused of lethargy about expanding their markets and taking positive action to sell their skills. All too readily, say their critics, the industries have been content simply to complain when insufficient work is put their way.

Whether the criticism is warranted or not, there are signs that the problems which confront the construction industries may now galvanise them into a more thoughtful appraisal of their role and of the opportunities available to them.



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BUILDING INDUSTRY V

Worsening conditions for contractors

AN AIR of gloom hangs over the construction companies, for the prospects of most contractors are the bleakest they have been for some time.

Conditions affecting the performance of the contractors have worsened steadily over the last two years, both in the UK market and overseas, and the Government's latest proposals in public spending will add to the difficulties.

Spending on the roads and transport programme, usually cut by 10 per cent, will be reduced by 25 per cent this year, to 2.91bn in 1980-81. The cuts will be spread across the entire programme.

The cutbacks will further reduce the sector's already weak workload, just at a time when private sector orders are being reduced.

But there is a shortage also of the large, medium-term contracts that many groups have fought in the past, and even those contractors that exploited overseas markets with some success during the last downturn in the recession are now finding that existing workloads are hard to replace.

Complicated

Contractors' troubles have been complicated further by Britain's bad winter weather of 1978-79 which has put contracts well behind schedule. And the intensely-competitive conditions have led many companies effectively to "buy in" work at uneconomic rates to sustain workloads.

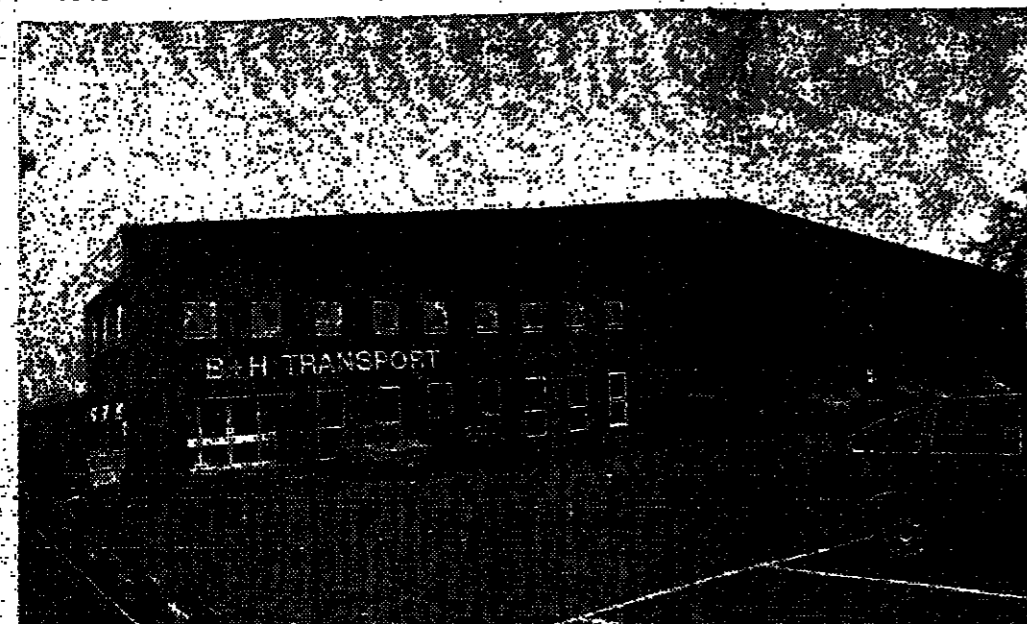
This policy has been pursued at some cost, but is being abandoned. In 1979 tenders will have been prepared according to rockbrokers, Savory Millin, on the basis of the rate of cost increases in that year—7.5 per cent. But building costs in the first half of 1979 rose by 10 per cent, and are predicted to rise by at least a further 10 per cent in the second half.

Even with an element of indexation in the contracts the rapid escalation in costs is likely to erode contractors' profits further.

There is a gradual slowing in the rate of new orders for two of the recent growth sectors in the building trade. The September survey of the state of trade in inquiry by the National Federation of Building Trades Employers showed fewer companies reporting increased new order inquiries in the private industrial and commercial building and repair and maintenance.

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sectors have sustained the building industry's recovery over the last 18 months. And, on another front, most companies have reported a severe shortage of skilled labour.

The contractors, then, are facing government economic and monetary policies which are operating against them; more competitive trading conditions as the volume of work is cut in the public sector and shows little growth in the private sector in the UK market; a decrease in the number of orders from the Middle East as most of the important infrastructure jobs have been completed or allocated; and a rapid rise in costs.

Predictably, in this situation, the contractors which are likely to weather the recession are those which are of some size, and which have a broad range of work and a sound balance sheet.

Unlike at the end of 1976 when contractors were facing a worsening recession in the domestic market, they no longer have the benefit of large Middle

MORE THAN 60 per cent of the fatal accidents which took place in the UK building industry in 1977, the latest year for which detailed statistics are available, could have been foreseen and avoided, according to a report by the Factory Inspectorate.

The report, prepared for the Inspectorate by its Accident Prevention Advisory Unit at Preston, Lancs, says that figures draw attention to the fact that it is clear from the report that most fatal accidents in the industry do not happen as the result of any major changes in construction techniques, but come about in normal day-to-day activities, usually as the result of carelessness.

In 1977 a total of 131 men died in construction accidents, of whom 86, the report claims, could have been saved by precautions to eliminate the hazards before the accident occurred. However, the figure was the lowest since World War II and was a 15 per cent reduction on the previous year. Total reported accidents fell from 34,611 in 1976 to 31,860 in 1977, a reduction of 8 per cent and the lowest figure since the early 1960s.

Provisional figures for last year showed that the number of fatal accidents increased to 137, and other accidents to 34,492, an outcome which the Health and Safety Executive described as disappointing. But it points out that building activity in 1977 had been at a lower-than-average level, which could have contributed to the low accident rate.

In another report, the Health and Safety Executive survey of 1977-78, the Chief Inspector of Factories, Mr. J. D. G. Hammer, pinpoints one alarming develop-

ment would help offset some of the effects. Design and consultancy work or an involvement in plant hire could offer some support to the contractor.

Contractors with housebuilding interests are likely to find the going tough in the coming year as expected increased mortgage rates curb demand at a time when costs are rising sharply.

Smaller contractors, who lack the financial muscle of larger competitors or the same degree of diversification, will be under the greatest pressure in the coming year. There are likely to be more takeovers and mergers of medium-sized concerns in this climate, particularly by the larger contractors which are attempting to consolidate their market share at a time of little growth.

John Moore

Carelessness the big safety problem

"These are precisely the companies which lack the specialist safety input which their management and men desperately need if there is to be any real impact on the hard core of fatal and reported accidents due, for example, to falls, which accounted for 56 per cent of all fatalities in 1977," the report says.

It is clear that criticism of the accident record of the construction industry is not directed at the industry as a whole, but at areas of it which may be related both to certain types of activity or size of company. It is suggested that the industry's federations ought to do more in identifying those areas.

Need

Companies which take the lead in construction safety should always ask their federations how much longer they as organisations will tolerate within their ranks others who

ignore the rules," the executive says. In general, the fault no longer lies with the major companies which have the motivation and the resources. The problem is how to get the message across to the multitude of smaller contractors, which also present the problems for inspectors. When these companies are subcontracting on major jobs they are likely to be at their best, especially if the larger company is setting a high standard.

At least one major retail organisation specifically demands the highest standards of safety, health and welfare during the construction work on its stores so that its name is not associated with accidents and unsafe practices.

About half the fatal accidents in the construction industry now occur through falls, mainly during roofing work. The main causes of these in 1977 were falls through asbestos cement sheets and through plastic skylights. By trades, however, painters suffered the most casualties. Employees of large companies accounted for only 21 per cent of fatalities.

It is pointed out that there is a persistent ignorance about the dangerous fragility of corrugated asbestos cement sheets. Many of these accidents occurred in occupied factories where maintenance is a regular job and should mean that adequate safety precautions are taken.

Most other fatal accidents were caused by falls from bosun's chairs, painters' cradles and material skips, accidents with mechanical plants, demolition, excavation, transport and maintenance work—although the executive draws no general conclusion about these.

There has, however, been considerable overall improvement in recent years. The incidence rate for fatal accidents in construction in 1977 was 40 per cent below the figure for 1973 and the accident rate in construction is now less than four times greater than that of manufacturing industry compared with more than five times in 1973.

The executive describes 1977 as "the year of the maintenance man in a hurry, of the job done by a small gang which turns sour, and of unsuccessful improvisation." During the year there were no major collapses of structures or failures of plant. Overall, it stresses that the burden of responsibility remains with employers under the Health and Safety at Work Act, and that employers should devise and maintain their own organisation for ensuring safety.

But this is not seen as the while answer to the problem of preventing deaths on site. The majority of accidents happen to experienced tradesmen and building workers involved in simple traditional activities, and these men must do their utmost to ensure that precautions are taken, the executive says.

John Moore

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BUILDING INDUSTRY VI

# Range of materials available is vast

**BUILDING materials account for about 40 per cent of the value of all construction work, but it is far from easy to calculate the relative significance of individual materials with production statistics in different units—by weight, area, volume, value, or number. To begin with, there is a vast range of materials now available and for many materials construction accounts for only part of their usage.**

Estimates based on an extensive market research for NEDO reveal that the traditional construction materials—aggregates, cement, bricks, plaster, steel, glass, timber and joinery—make up for something like more than half the value of all materials, while materials and components for services account for a quarter.

Should there be an increase or drop in construction work, the immediate outset would affect aggregates, cement, bricks and other structural materials. However, the manufacturers of services and finishing materials may not feel the profit or pinch for a year later.

**Steel:** Today, 90 per cent of new industrial buildings in this country are steel-framed. This is due to the material's popularity with designers, the expertise of our constructional steel-work industry, and the wide range of steel products available.

Steel is used for bridge work, gantries, towers, and a variety of civil engineering purposes. Its products are employed primarily in the field of structure (beams, columns, channels, hollow sections and so on) and for cladding and roofing (steel sheet in various forms). Reinforced concrete uses large quantities of steel bars and prestressed concrete uses steel wires.

Ever since Britain struck oil a decade ago, there has been a shift from oilmen for steel scaffolding. This was needed at first when the emphasis was on building rigs—on offshore and offshore rigs—main uses are in the oil and gas industry.

The steel industry is now producing a wide range of products for the world and the UK's steel industry is well prepared to feed

has been associated with North Sea oil from the start. Its continuing involvement has included the Triforce support scaffold equipment in Loch Kishorn for the great concrete platform, Ninian Central, built there by Howard Dorris—probably the biggest support scaffold ever erected in Britain.

Abroad, Cuplok system scaffolding was supplied by SGB Export for the \$35m Cairo Plaza project, currently one of Egypt's most ambitious developments for which Higgs and Hill is one of the main contractors.

**Concrete:** Annual production capacity of the UK cement industry is currently estimated to be about 19.5m tonnes. Blue Circle holds about 60 per cent of the market, followed by Rugby Portland (18 per cent) and the rest is covered by Tunnel, Ribblesdale, Aberthaw, Ketton and ICI.

Until 1972, UK demand for cement was broadly static with only minor fluctuations from year to year, but in 1973 demand expanded with an increase of 1.9 tonnes over the previous year. UK demand then declined annually, reflecting the economic conditions following energy price rises in 1973, until 1978 when it rose 2 per cent.

material to process into cement clinker. With an output of 2,200 tonnes a day of cement clinker, capacity of the work will be doubled, says the company, and when the Rochester extension is in full production its cement capacity worldwide will amount to more than 4m tonnes a year.

Overseas, Blue Circle has signed a five-year technical agreement with a major cement company in Venezuela and is pursuing other opportunities and agreements in Argentina, Chile and Colombia. Its marketing teams have visited Asian countries and established contacts with manufacturers and government authorities in India and China.

**Bricks:** Numerous examples of centuries old brick buildings bear witness to the durability of handmade brick and its capacity to mellow with age. Superb aesthetic effects can be achieved because of the material's excellent visual appeal and, now that attractively-modelled buildings are being favoured by architects, bricks are once again increasing in popularity.

In conservation work and refurbishment (currently the major area of activity in the British construction industry) they are widely used to blend more readily with existing old buildings, and can be colour, surface and size-matched with period brickwork.

While brickwork as a structural material has made progress into the market of multi-storey, repetitive floor plan buildings—and has the majority share of the housing market—it has not made much advance in the industrial field. The preponderance of framed industrial buildings possibly reflects the lack of appreciation of brick's potential.

**Timber:** Nowadays, our own woodlands provide only about 10 per cent of the timber used in Britain each year because of the numbers of native trees which have been depleted through old age, disease and lack of proper care.

About 80 per cent of softwood imports come from just four countries—Sweden, Finland,

### OUTLOOK STATIC

A CLAIRVOYANT would field as much joy in forecasting prospects for building materials as an attempt to winkle a whisper of hard information from the various manufacturers and suppliers.

However, the National Council of Building Material Producers dropped a BMP forecasting panel report from its sleeve a few months ago which suggested that the outlook would be little better than static for the next three years.

In addition to cutbacks in public capital programmes arising out of the recent Budget, and stricter adherence to cash limits by public authorities, the abysmal record of Britain's new house building and other construction projects became apparent in the first part of this year.

A harsh winter and transport troubles caused a hiatus at the beginning of 1979 and upward trends are being covered by fear of a recession due to shortage of energy.

Total construction output will fall this year by 2 per cent, according to the BHP forecasting panel; and it will decline by a further 1½ per cent in 1980 and stabilise in 1981. Total new work will fall by 4 per cent and 2 per cent in 1979 and 1980 respectively, and it is only the relatively buoyant sector of housing repair and maintenance and improvement which prevents greater falls in total output this year.

New public housing will be at the lowest level in the post-war period, continue the Junahs, who do not envisage a corresponding upsurge in activity for the private sector in 1979, although some upturn in forecast for 1980 and 1981.

Construction of buildings for industrial and commercial purposes will decline together in 1980 and 1981 to about 1978 level after a rise this year. Building (other than housing) and civil engineering work in the public sector will continue its downward trend.

The next decade must see radical changes in the distribution policy of many building product manufacturers who presently adhere strictly to a "builders' merchants only" policy, says the National Merchant Buying Society. Pressures from non-merchant outlets, such as DIY superstores, can be expected to increase, especially now that big names like Sainsbury and W. H. Smith are entering the market.

D.P.

Canada and Russia (the history of Britain's timber trading with Russia goes back over a century to Czarist times).

The hardwood trade is much smaller than that for softwood, with imports of just under 1m cubic metres, and imports come from more than 50 countries in as many species, but the largest single species is beech from Europe. For tropical woods Britain looks to West Africa, the Far East and Brazil.

More than 70 per cent of the softwood which we import is used in the construction industry, the remainder spread over a host of other uses among which is packing cases and pallets. Whereas softwood imports are all sawn timber, except for telegraph poles, the hardwood trade deals with both sawn timber and logs.

Because of the visual attraction of their colour and grain, hardwoods generally are used in furniture, fine joinery and in interior panelling.

Plywood is now a construction and engineering material in its own right. It is extensively used for the cladding of timber-framed houses, the tradi-

# Shortage of skilled labour now acute

**SHORTAGES OF skilled labour have become acute in the past few years despite a decline in general construction work.**

One of the principal reasons for this is that certain sectors of construction which are labour intensive and critically dependent on craftsmen have tended to expand in the past two years despite the low level of activity in the industry as a whole.

The impact of the decline in construction work in the mid-1970s, changes in taxation, and working conditions and pay also have been factors.

Certainly the evidence of major skill shortages is clear cut. The quarterly survey of more than 600 companies carried out by the National Federation of Building Trades Employers is probably the best guide to the state of the employment market.

The survey breaks labour availability into four broad categories: readily available; some difficulties in obtaining labour; serious difficulties; and almost impossible to find required workers.

The survey shows a remarkable trend in labour supply categories. Only 7 per cent of the companies in December 1977 said they were in the last two categories—reflecting real difficulties in finding labour—for bricklayers.

Now, however, more than half of the companies say they fall in those two categories with 23 per cent arguing that they find it almost impossible to obtain the bricklayers they need.

For plumbers and plasterers less than 10 per cent of companies two years ago were in real difficulties in getting labour but this has risen now to 34 per cent. So at the moment, more than half the companies are having particular difficulties with bricklayers and a third in attracting plumbers and plasterers.

The industry does not have too many difficulties attracting general labour. About 12 per cent of survey companies are having severe difficulties attracting these grades.

Although statistics produced by the Department of Employment on construction job vacancies and unemployed are viewed

by the industry as near-nonsensical they do reflect a trend recognised by construction companies.

Taking total, seasonally-adjusted figures for all craftsmen, there were 18.5 workers registered unemployed in February 1978. In the same month the following year the ratio was 10.5; 7.5 in 1978; 5.5 in February 1979 and 2.5 in October this year.

The federation says these figures are certainly not accurate but they do indicate a strong trend towards a general tightening in the labour market.

The trend shows some differences for different types of craftsmen. According to Government figures there are twice as many vacancies for carpenters and joiners as people to fill them. There are, however, twice as many painters and decorators as vacancies.

The tightening in the labour market is partly reflected in the total number of unemployed in building and construction which has fallen from 209,000 in the early part of 1977 to about 150,000, seasonally adjusted, now.

in building work. This has been largely concentrated in housing renovation where there is a premium on craft work and where work is labour intensive.

In 1970, a quarter of construction work was repair and maintenance of homes but this year the proportion is about a third.

The relative merits of official statistics and the impact of the new VAT rate are factors in the way industry and unions perceive employment problems although it is unclear how these features warp the overall picture.

The federation says that the number of construction workers listed as unemployed is exaggerated and that the total number of job vacancies is underestimated. One of many jobs advertised and filled through the industry's "grapevine" and completely skirt official statistics.

The impact of tax changes might also have a significant effect. Heavy direct taxation probably ensures continued high levels of "moonlighting". On the other hand, the 15 per cent VAT rate encourages customers to seek traders who will not charge VAT in return for cash payments.

The unions complain bitterly about pay and conditions and cite this as a principal reason for the flight of skilled men from the industry and resulting shortages of craftsmen.

Mr. Les Wood, general secretary of the Union of Construction, Allied Trades and Technicians, the biggest union in building, says that the Department of Employment's New Earnings Survey shows that 46 per cent of construction workers are in receipt of nothing more than the guaranteed minimum earnings level for the industry. For craftsmen this is £87 a week and for labourers £57.

As a result, says Mr. Wood, craftsmen, particularly in carpentry, joinery and heating and ventilation, have either drifted away from the industry or set up shop themselves. This has been particularly marked in the South East and the Midlands.

Nick Garnett

### Upsurge

The general picture masks differences not only between types of craftsmen but also between regions. Skill shortages have been most severe in recent years in London, the South East generally and the Midlands, with the North, and particularly the North West much less so.

One of the principal reasons for skill shortages has been a flight of skilled men between 1973 and 1977. The federation puts this down to the collapse in construction work generally.

For buildings where the emphasis on skilled work is much greater than in civil engineering, there has been something of an upsurge in certain categories of work over the past two years. This, linked to the exodus of skilled men, earlier this decade has produced acute skill shortages.

The federation says that over the past year there has been an increase of about 7 per cent

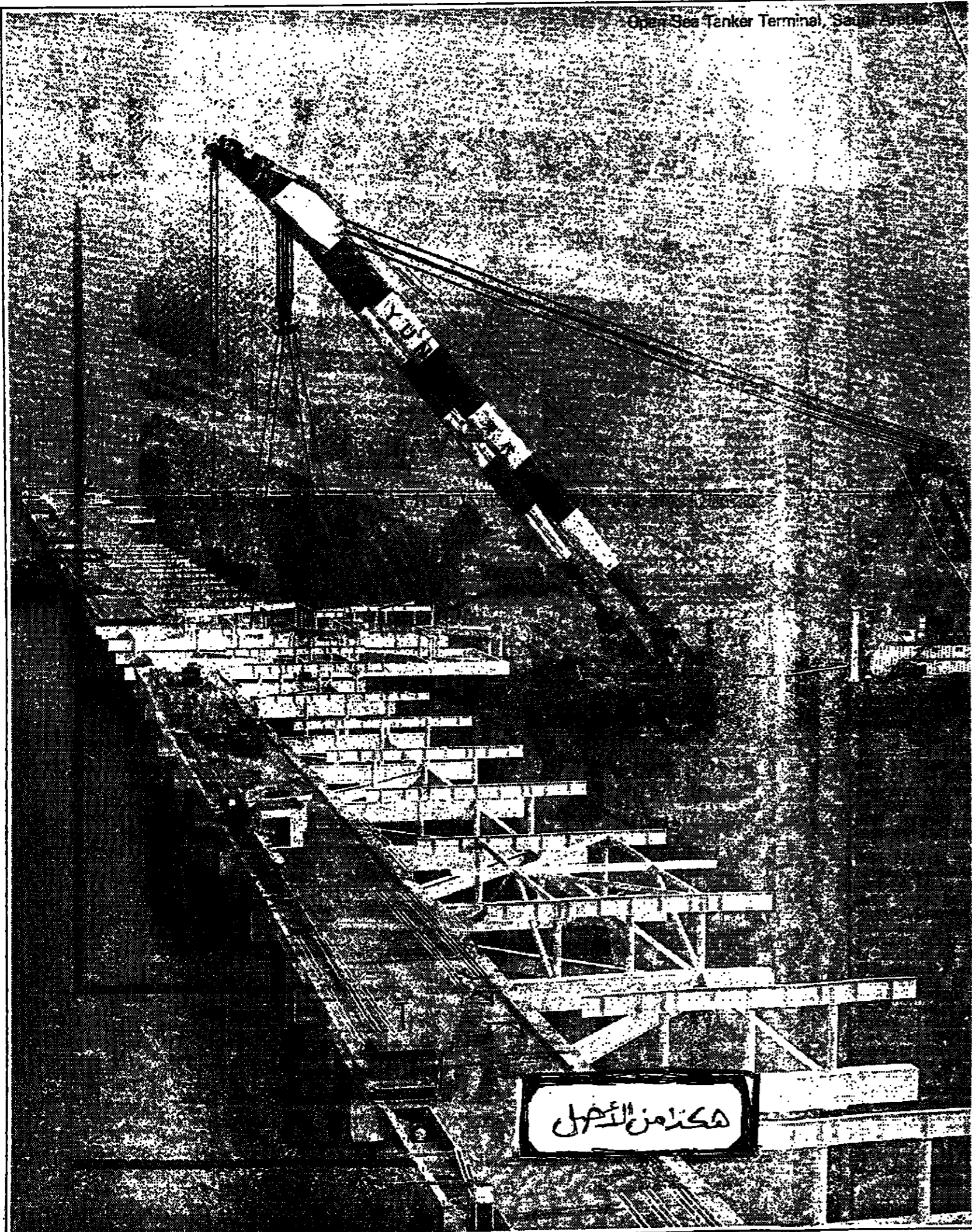
national house construction method in North America and Scandinavia which in the past 20 years has slowly gained more acceptance in this country.

Chipboard constitutes the largest sector of the world particleboard industry, and consumption has risen considerably year by year. There are eight main production mills in the UK which between them produce about 40 per cent of our requirements. However, when the European capacity/demand equation is out of balance—as it is now—they tend to be priced out of the market by imports.

In the past year, UK producers have complained of dumping by Swedish and Spanish mills and have taken their case to the EEC trade authorities at Brussels where minimum prices for board from these two countries were agreed.

The construction industry has taken to flooring grade wood chipboard, and is using it as a roof decking under felt. The latest such product to become available is waferboard or flakeboard from Canada.

Deborah Pickering



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THE MANAGEMENT PAGE

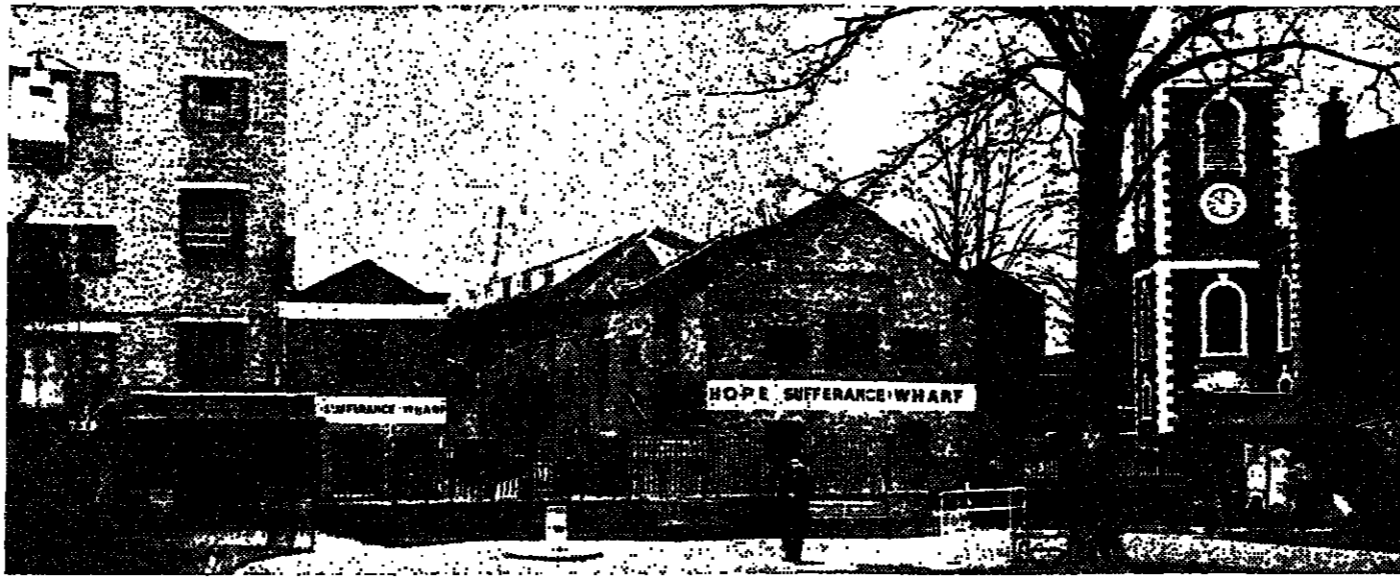
EDITED BY CHRISTOPHER LORENZ

Time for an inner city renaissance?

Francis Duffy reports on new uses for old buildings

TAKE A trip half a mile to the East of the City of London and watch the property values fall. From Brick Lane you can easily see the National Westminster Bank's famous new tower, a vision of what the price of land will drive sane men to do. In the same street you can see dereliction and decay which would make Naples weep and would not be out of place in Dacca.

London's Covent Garden so that a number of highly diverse small firms could share common services. The long list of varied firms—mostly designers and consultants—on the noticeboard in the busy and efficient common reception area is an index of the success of the enterprise which would not have been possible without a redundant building, originally solidly built, and now, with a little imagination, not only habitable but smart.



Hope (Sufferance) Wharf, Rotherhithe: flexible space for small firms in a wide variety of industries

home of a whole variety of uses, from workshops to studios. Elsewhere in London, too, other local authorities anxious to increase employment opportunities have lent vigorous support to such projects.

British. In the fast-growing U.S. electronics industry, for instance, firms like Wang and Digital are famous for their adaptive use of old mill buildings. But the British examples are particularly impressive for their totally unplanned "mix" of businesses.

leaseholders, it has tended to depend upon the accumulation of big new parcels of land and to lead to the destruction of what exists. Conventional development programmes, although taking years to complete, have tended to be carried out all in one piece, by businesslike and remote professionals. Little thought has been given to gradual adaptation and growth.

making best use of what exists but also of being closely related to the needs of those who use the space provided. It relates to their timescale, allows them time to develop and does not force them to spend all their money at once.



THE typical "white collar" criminal tends not to go in for raiding the local sub-post office brandishing a sawn-off shotgun. His speciality is something altogether more genteel—like fraud, theft, larceny or just plain fudging the books.

How the middle classes do porridge

thought that because such people appear to be so capable, they do not need any help, or at least not as much as other prisoners.

life: the stench and the fear (especially in Wormwood Scrubs), as well as the futility and boredom (particularly at Ford Open Prison, near Arundel).

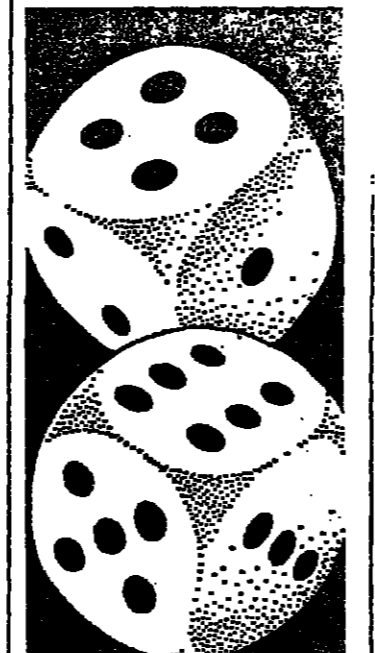
before it was too late, but then it all became rather complicated. Breed admits that these people are also the victims of their ambitions.

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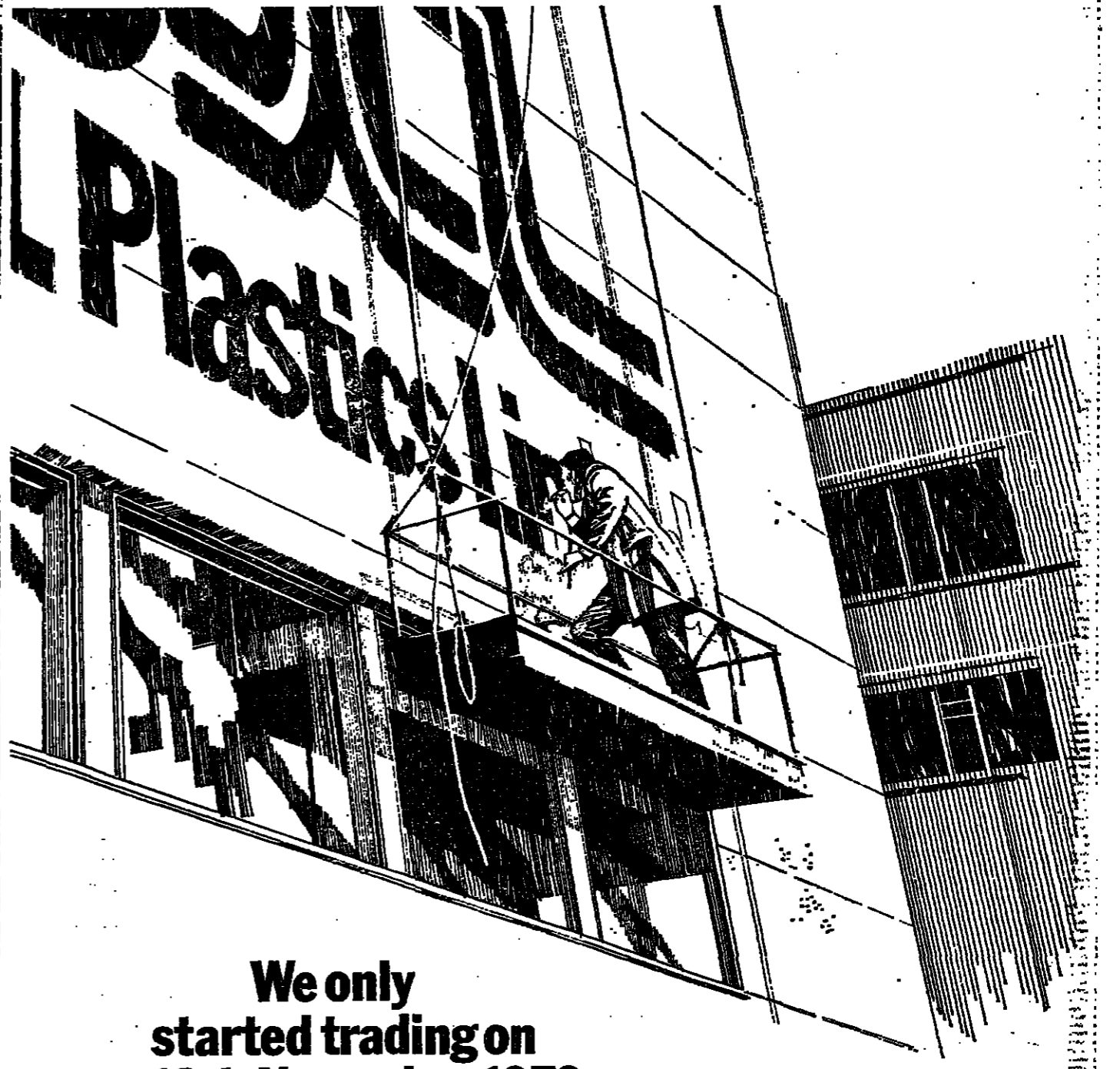
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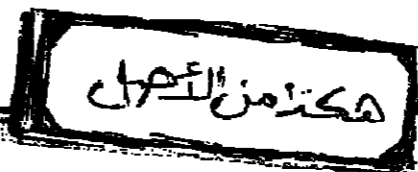
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THE ARTS

National Portrait Gallery

The rediscovery of Lawrence

by ROY STRONG

The late 19th century cult of the artist... The Lawrence exhibition is situated in the National Portrait Gallery... The exhibition is devoted to the artist's work...



Mrs. Wolf, by Sir Thomas Lawrence

points out, for example, his use of Van Dyck for the portrait of Lady Londonderry... The exhibition is devoted to the artist's work...

Elizabeth Hall

Il furioso by RONALD CRICHTON

Donizetti's Il furioso all'isola di San Domingo is an opera semiseria written for Rome and given there in 1833... The opera was revived five times in the last 20 years...

understanding, half-comical, half-pathetic, including an attempted suicide pact... Cardenio's dementia may be hard to put across in evening dress...

Wigmore Hall

Ruffer, Poore, Emmerson

by ROGER WRIGHT

Without an interval, the programme looked somewhat daunting; yet Saturday afternoon's recital of music for flute (Nancy Ruffer) and tuba (Melvyn Poore) with electronics and sound-projection in the hands of Simon Emmerson provided a fascinating afternoon's entertainment.

Without an interval, the programme looked somewhat daunting; yet Saturday afternoon's recital of music for flute (Nancy Ruffer) and tuba (Melvyn Poore) with electronics and sound-projection in the hands of Simon Emmerson provided a fascinating afternoon's entertainment.

Festival Hall

Stravinsky

As it began at the Festival Hall seven weeks ago, so the Stravinsky Festival ended on Friday evening, with a concert by the London Symphony Orchestra under David Atherton.

Rosslyn Hill Chapel, Hampstead

Nexus Opera

The inaugural performances by the newly-formed Nexus Opera group were a Camden Winter Season Event last week. They appeared in tandem with Nicholas Kraemer's Divertimenti orchestra, a half-programme of music for strings preceding their performance of Holst's one-act Savitri of 1908.

Dominion

Randy Newman

by ANTONY THORNCROFT

Randy Newman, the Woody Allen of the keyboards, delighted a fawning audience at the Dominion on Sunday night.

unflappable as he tinkles through songs with every appearance of casual improvisation, sometimes shouting out the notes "hey, that is an F"...

Advertisement for Deathtrap featuring Gareth Hunt and Ira Levins.

Conference on arts and adult education

A conference on adult education and the arts held at the Arts Council in London this month and chaired by Sir Roy Shaw, Secretary-General of the Arts Council, and Professor Edward Rhodes, Professor of Adult Education, University of Liverpool, has produced nine recommendations.

How not to lose any sleep over an early morning flight.

(Stay at the Sheraton-Heathrow the night before.)



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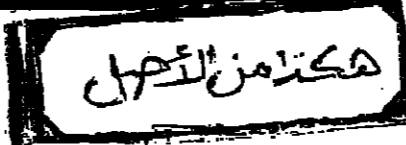
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Out being

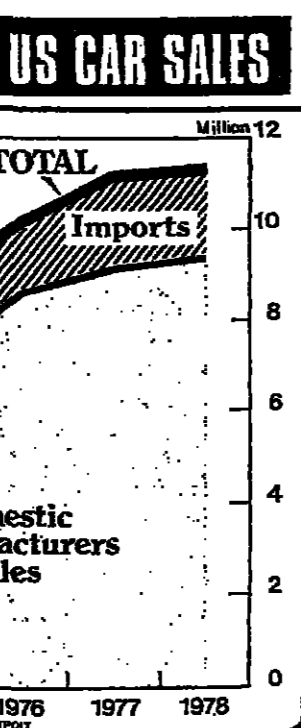
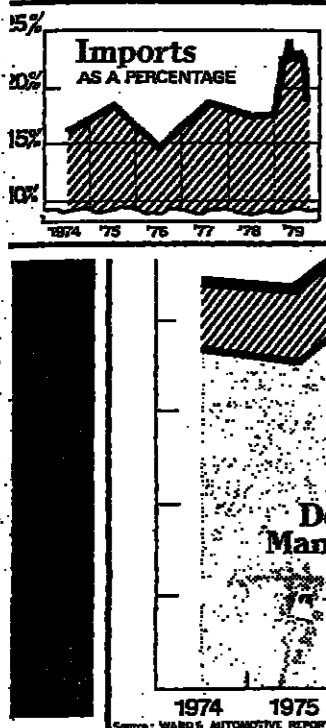


THE SUB-COMPACT CAR

Table comparing U.S. and Japanese production costs, advantages, and disadvantages for a sub-compact car.

Based on '81-'82. Source: Industry for U.S. General Accounting

The U.S. dinosaur is brought to bay



The U.S. CAR industry is in recession. That fact has emerged suddenly at a moment when economic analysts are still disputing whether the U.S. economy as a whole has started its descent into a slump and when political anxieties about booming car imports have been raised to a high level in the Congress debate whether to bail out Chrysler.

allowed to go bankrupt, the importers share will exceed one third next year. This tussle in the market place is now starting once more to be reflected in the political and industrial debate about the future of the car industry.



Volkswagen-Audi of West Germany and Renault of France...

car concept comes to fruition in the next few years, this open competition across national boundaries by giant conglomerates is certain to become the norm.

Letters to the Editor

Mortgage repayments

Mr. John Heddie, MP (Richfield and Tamworth) Sir—The housing organisation 'Shelter' has stated that hundreds of families will be rendered homeless because of an increase in the mortgage interest rate.

Investment philosophy

From Mr. Stewart S. Cohen Sir—The recent rise in MLR has put in jeopardy one of the Chancellor's avowed aims namely to encourage investment and more particularly to encourage the starting up of new high technology enterprises.

Growing about dogs

From the Earl of Listowel Sir—Growing about dogs is nothing new (Men and Matters, November 20). JACOPIS has been growing about the need to have a sensible dog warden service on a national basis since it was established in 1974.

Jargon or labels

From the Senior Editor International Management Sir—On the management page of November 7 Christopher Lorenz mentions a recent magazine interview (in fact an article in 'International Management') in which Professor Igor Ansoff is quoted as defining long-range planning, strategic planning, strategic issue management, 'weak signals' management and 'surprise management'.

Trade in textiles

From the general secretary, National Union of Tailors and Dressmakers and Sewing Machine Workers Sir—The United Kingdom clothing industry is often portrayed as declining and old-fashioned, over-manned and unequipped, and this is a false image that is frequently used as an excuse for the massive growth in imports over the past decade.

market against which the industry can plan. At the same time, while not excessively diminishing the opportunities for developing countries, it provides them with a guaranteed place in world markets.

These measures in terms of cost to the Chancellor would be minimal, but I believe that the long term effect would be to encourage a positive switch in investment philosophy.

Lorenz deprecates the attempt to attach 'spurious' distinct labels to the planning process, and I would agree with him that there is a tendency, especially on the part of American academics and consultants, to look like one-man jargon manufacturing industries.

Today's Events

UK: Mr. Patrick Jenkin, Social Services Secretary, is among speakers at TUC conference on social security, London.

- COMPANY MEETINGS AB Electronic Products, Park Hotel, Cardiff, 11.30. Consolidated Gold Fields, Dorchester Hotel, Park Lane, W., 11.30. Lister, Manningham Mill, Bradford, 12.30. Raine Engineering, Grange Restaurant, Sheffield, 12. Rivoli Cinemas, 15-17 Ridgmount Street, W.C.4.

Advertisement for Harveys sherry featuring a black and white photograph of a vineyard in snow and several bottles of sherry. Text includes 'When the temperatures into the nineties, our grapes grow best in the snow' and 'LUNCHEON DRY AND CLUB AMONTILLADO Two classic styles of sherry from Harveys of Bristol'.

The MFA is an essential cornerstone of a UK policy for the survival of a large-scale, viable and competitive clothing industry.



مكتبة التصل

UK COMPANY NEWS

**Dawson midway growth checked by strong pound**

FOLLOWING the chairman's forecast in May of further growth in the current year, Dawson International, the Scottish textile group, reports an increase of 12 per cent from £6.63m to £7.44m in the pre-tax profits for the six months ended September 30, 1979. Turnover rose 25 per cent to £35.3m.

The directors point out that the result, which included a half year's contribution from Haggas, has been achieved despite the poor trading conditions prevailing in most sectors of the textile industry. But for the strong pound, profits, if converted at last year's currency levels, would have been some £1.6m higher.

**Stag Line loss is £689,300**

ALMOST a year ago Mr. N. J. Robinson, chairman of Stag Line, the North Shields shipowning group, described prospects for 1978-79 as grim. In the event there is a loss of £689,301 for the 12 months ended October 31, compared with a profit of £145,573 which was struck after exceptional credits of £578,418.

This result follows a deficit of £483,006 compared with £157,361 reported for the first half at which time the directors said that any dividend would be con-

sidered when the full results were known. The directors recommend that the dividend be held at 5p per £1 share.

Turnover in the year was virtually static at £2.5m, compared with £2.5m, and the trading profit came out sharply lower at £65,637 against £278,323. From this was deducted heavier depreciation and loan interest payments of £770,144 (£132,065) and there were exceptional debits of £53,750 compared with the exceptional credits last time of £878,418.

After a tax credit the net loss comes through at £332,751 equal to 28.59p per share.

	1978-79	1977-78
Turnover	2,514,523	2,528,178
Trading profit	65,637	278,323
Depreciation	513,523	304,579
Loan interest	322,278	155,515
Leaving loss	770,144	182,005
Investment income	134,593	122,520
Exceptional credits	578,418	—
Loss before tax	689,301	169,872
Tax credit	332,751	—
Net loss	356,550	169,872
Dividends	61,681	57,331
Loss retained	414,432	202,229
Forward	1,627,797	2,042,229

**Fenner down by £1.4m as strikes take toll**

HIT BY industrial disputes, taxable profits of J. H. Fenner and Co. (Holdings), power transmission engineer, dropped from a record £9.05m to £7.61m for the year ended September 1, 1979, after a fall from £5.4m to £4.5m in the second half. Turnover, however, was higher at £91.89m, against £80.53m.

The whole of the profit downturn was attributable to UK operations. Overseas, the total residues in sterling terms exceeded last year, despite lower conversion rates.

The directors say the reversal in profits trend is not indicative of the group's fundamental trading strength or potential.

The year's result included a five months contribution from Dick Bearings, 60 per cent of which was acquired during the year. Early results confirm the board's expectation that the combination of separate activities in power transmission and bearings distribution would produce a synergistic effect beneficial to both.

James Dawson and Son also fared well in its first year as part of the group with a profit contribution ahead of forecast.

Group exports were reasonably ahead of last year, but were hit by the transport strike which disrupted shipping arrangements and resulted in order cancellations.

The South African, Australian, New Zealand and German companies all made solid progress. However, Fenner (India), which performed well in most areas, failed to achieve last year's performance due to weakness of demand for colliery conveyor belt.

A break-even position was achieved at Fenner America, which brought to a halt the series of losses of recent years.

**British investment in new U.S. exploration venture**

BY ARNOLD KRANSORFF

ROUND 20 British institutional investors, mainly investment trusts, have subscribed Canadian £m to invest in Warrior Resources, a new oil and gas exploration company which has listing in Vancouver.

The investment is through a vehicle, by Canadian stockbrokers Mead and Company, of 5m shares of Warrior at 25p each. The company's chief executive is Mr. Jerome Williams, who directed the incidental Petroleum team in the North Sea's Piper and Jaymore fields.

This long-term aim was to create a major oil company, he added.

According to Mead, the placing is the largest single issue by an oil and gas exploration company on the Vancouver market.

The company's assets include seven mining claims and a 16.6 per cent interest in a consortium planning to stake claims in British Columbia, it has offices in London and Vancouver.

over the period increased by 2.4 per cent from 123.5p to 126.5p, while rents received amounted to £2.41m, against £2.3m in the previous six months and £2.01m in the half year to August, 1978.

The fund enables local authorities to invest part of their superannuation funds directly into property, preserving the favourable tax status, without getting involved in the administration. Contributions during the period from local authorities amounted to £5.05m, compared with £1.88m in the previous half year and £3.67m in the corresponding six months of 1978.

**Rivlin loss reduced to £53,000**

The current year opened with a healthy level of order intake at home and abroad, but production losses through disruptions have already prevented this opportunity from being fully translated into an appropriate level of realised profit.

While earnings are well ahead of last year, industrial relations and operational problems at the company's own factories and in the country at large are the key factors in its performance in the current year.

Given uninterrupted production, the directors have confidence in the ability of group management to restore the growth pattern of recent years.

**PRE-TAX loss of 1. D. and S. Rivlin Holdings, clothing and textile group, has been reduced to £53,188 for the year ended April 30, 1979, compared with £435,810 which included £308,000 from discontinued companies.**

Mr. A. J. Vogel, chairman, says in his annual statement with the accounts that while it is not possible to declare a dividend, the directors are confident that plans for future group reorganisation will prove effective, and we sincerely trust that profitability will be achieved, if not in the current year, certainly by the year ending April 30, 1981.

The last dividend paid was a 1.17p net interim for 1978-77. Mr. A. J. Vogel staged a £18,000 loss and was turned into a £18,000 profit, and the directors hoped that progress made in overcoming the current difficulties, and benefits from steps taken, would enable the group to return to profitability

Mead says that Warrior was bought in June 1979 to be the vehicle through which European investors could participate directly in oil and gas development in the U.S.

A spokesman said that Warrior's initial aim was to buy production in gas and oil properties and undertake low-risk drilling projects in the U.S.

At present the company was negotiating three oil deals in Texas, Oklahoma and Alaska. Other deals were in the pipeline, one of which was outside the U.S., the spokesman said.

**Rise for Local Authorities Property Fund**

The value of The Local Authorities' Property Fund rose by 9 per cent over the half-year to August 31, 1979, from 578p at the beginning of the period to £86m at the end.

The value of the unit price

The managers point out that despite high interest rates, property values had generally remained firm. During the period, the funds entered into or completed several contracts at a cost of £3.58m. The liquidity of the fund at the end of the period, after allowing for known commitments of £3.4m, was 2.4 per cent of the fund.

The distribution per unit for the period was 4.021p gross, after allowing for management charges, against the previous distributions of 3.923p and 3.6655p.

**J. Hepworth outlook optimistic**

Plans already being implemented should enable J. Hepworth and Sons, multiple tailors, to successfully overcome the less easy period of the current year, says Mr. R. E. Chadwick, the chairman.

Record sales and profits, as reported on October 31, were achieved in the year to August 31, 1979. The taxable surplus rose 28 per cent, from £5.23m to £6.6m, and turnover increased by 20 per cent to £51.33m, excluding VAT.

The net total dividend is stepped up from 2.54p to 3.79p, with a final of 3p (£1.32p).

On an inflation adjusted basis profit is reduced to £5.6m (£4.5m) by £1.1m (£0.6m) extra depreciation, £0.2m (same) additional cost of sales less a £0.3m (£0.1m) gearing adjustment.

Mr. Chadwick says the introduction of new lines of merchandise has generated increased profitability, but this has brought

pressures on the company's warehouses. New warehousing facilities will be required in the longer term to take into account the higher proportion of non-making garments.

He reports a decline in made-to-measure tailoring and this has meant the closure of one production unit. The group now has over 300,000 customer accounts and a similar service for a number of other retail companies is now operating, through a company jointly owned with Forward Trust.

The value of the company's properties, excluding short leases, has increased by £28,329,000 since the previous external valuation in August, 1977. Property sales during the year contributed an extraordinary pre-tax profit of £80,000. This was the profit against book value (1977 valuation), and the profit against cost is £2.9m. After tax, this

represents an extraordinary gain of £2.85m.

During the year Hepworth's opened four new shops and substituted three shops on better sites. Fourteen shops have opened within Debenhams Stores and the company has increased its selling space by 18,000 square feet as a result of de-arcading 50 shops.

**New Lloyd's syndicates**

Fenchurch Underwriting Agencies, part of the Guinness Peat Group, is starting two new Lloyd's syndicates in 1980. Mr. Alec Sharp, currently with the Ennis Insurance Company (UK) will begin underwriting a non-marine account and Mr. Stephen Chappell, a former deputy Lloyd's underwriter, a livestock account.

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**A Substantial Period of Growth**

	13 months to 30.4.79	Year to 31.3.78
SALES	19,266	12,835
PRE-TAX PROFITS	1,535	1,081
EARNINGS PER SHARE	19.4p	16.7p

"The restoration of the company's quotation is a priority of the Board and the foregoing release is a major step in this direction," he says—the group's listing was suspended in June 1978.

At April 30, group fixed assets were £983,560 (£1,04m) and net current assets amounted to £515,027 (£782,291).

Stocks were reduced to £1.88m against £2.25m and bank overdrafts decreased to £887,977 (£1.32m).

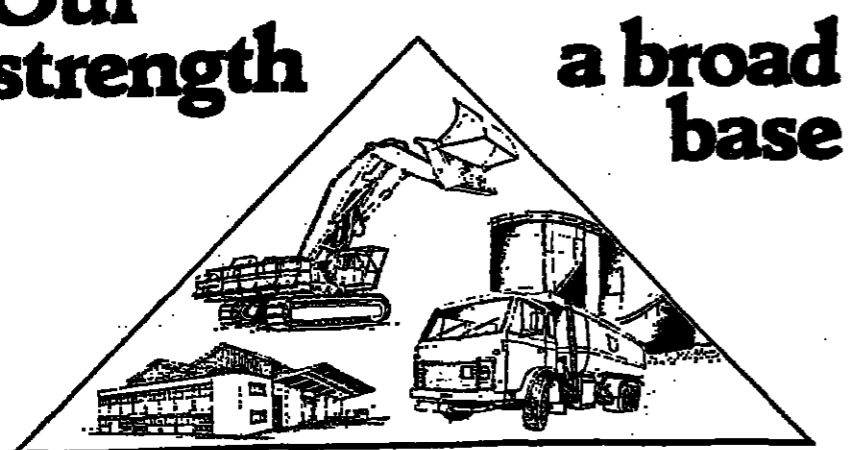
Meeting, 100, Old Broad Street, E.C., December 18 at 2.15 p.m.

**INGALL INDUSTRIES**  
Mr. H. Marston Riley, chairman of Ingall Industries, told the annual meeting that the trading situation was unchanged from the position reported in the annual report and accounts.

"We are still suffering from the effects of the engineering strike; however, I am glad to tell you that the traditional side of the business is continuing to make good progress," he added.

MAURICE HOPE—Chairman  
**R. & J. Pullman Ltd.**  
42-50 YORK WAY, LONDON N1 9AB

**Our strength a broad base**



CONSTRUCTION & PROPERTY DEVELOPMENT    MINING    OIL STORAGE & DISTRIBUTION

Six months to September 30	1979	%	1978
Turnover	38,920	93.0	19,124
Profit before Taxation	2,795	73.0	1,615
Taxation	1,453	—	840
Profit after Taxation	1,342	73.0	775
Dividend per share	3.5p	—	1.53p

"The course upon which the Group is set remains attractive. 1979/80 promises to be another successful year for the Group."  
NIGEL F. SWIFEN Chairman

**bh**  
**Burnett & Hallamshire Holdings Limited**  
119 Psalter Lane, Sheffield S11 8YS. Telephone: 0742 57444.

**Lucas 1979**

**"Over two-thirds of our business now arises overseas."** Sir Bernard Scott, Chairman

- \* Direct exports from the United Kingdom £191m.
- \* Indirect exports from the United Kingdom £205m.
- \* Sales by overseas subsidiary companies £327m.
- \* Lucas share of overseas associated companies' sales £108m.

**1979 results**

	1979	1978
	£ million	£ million
Sales	1071.7	971.2
Profit before tax	70.7	73.1
Profit attributable to shareholders	51.0	56.2
Shareholders' funds	450.2	420.2
Net assets	498	465
Earnings	54	60
Dividends:		
Interim	2.5674	2.3340
Final	8.4326	6.8449
Total	11.0000	9.1789

Pence per ordinary share    Pence per ordinary share

If you would like the full picture....

... send for a copy of the Annual Review entitled 'Lucas 1979' together with the formal 1979 Annual Report and Accounts.

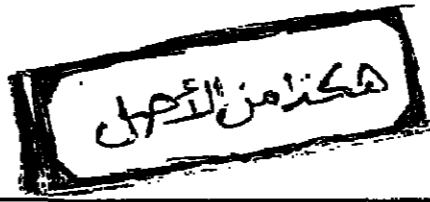
The Registrar, Lucas Industries Limited, Great King Street, Birmingham, B19 2XF.



**LUCAS**



BIDS AND DEALS



Plans for tidying up Gulliver food side

Mr. James Gulliver, the former chief executive of the Fare supermarkets group, yesterday unveiled plans for the tidying up of the food side of the company...

Manor National clips its profit forecast

The agreed bid was also conditional on the achievement by both companies of their forecasts, CGSB—which has accepted Manor's earnings revision—having estimated a pre-tax profit of at least £45,000 for the year to September 30.

BTR Australia expands

BTR Australia, the main holding company of the BTR group in Australia, has bought the industrial products division of Firestone Australia for A\$2.5m (£1.3m).

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interim or final and the sub-divisions shown below are based mainly on last year's timetable.

Table of board meetings for various companies including Arden Electrical, Dykes (J.), Listerfish, etc.

The capital of Flexile, the former associate of Coster Aerosoles (a former associate of Flexile) which it is now independently owned.

KCA gets £2m loan from deal with Swiss group

KCA International, the oil servicing and contracting group, and Sandoz, the Swiss-based chemical group, are to co-operate in the technical development of A's wholly-owned subsidiary, W. Mud. The deal will give A £2m of extra finance.

Exploration and Production Services. The company continues to plan expansion by acquisition and aims to raise £500,000 through a new rights issue...

'Gold Fields has a good record, a strong market position, management in depth and a basis for further growth'

Extracts from the Chairman's Review 1979:

Earnings rose to a new record level — gold price major factor. Profit before interest and tax increased by 30%, earnings per share by 52%, dividends by 47% to 13.5 pence per share.

business in selected areas and higher profits. These increases were partly offset by poor shipping results. We were able to achieve higher profits from construction materials, despite a rather weak market in Britain.

In mining, construction materials, specialist manufacturing and the commercial field, we have a good record, a strong market position, management in depth and a basis for further growth.

A major factor in this increase in profits was the higher gold price. The gold mines administered by Gold Fields of South Africa achieved considerably better productivity which helped to offset higher wages.

Your Board sees good progress in the management of our business

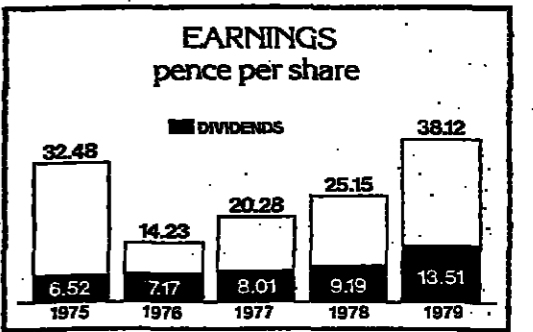
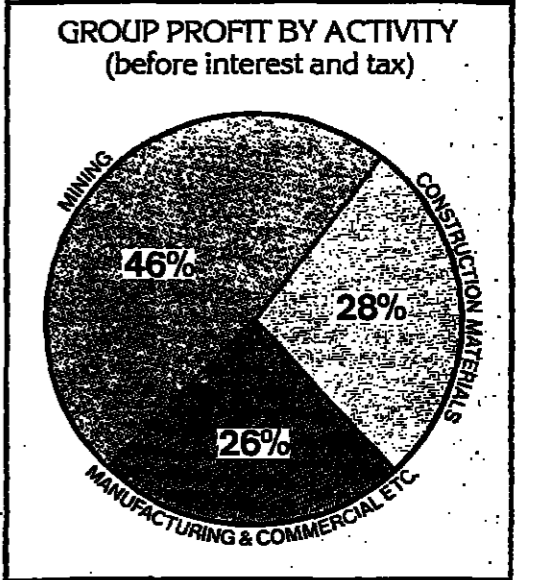
The Board of Directors has a wide responsibility. Firstly, it must be realistic about the strengths and weaknesses of the business; ensuring that weak areas are corrected, while growth is built where the record is strong.

But, even a well run business is exposed to a range of external events. Some of these are facts of nature, such as the hard northern hemisphere winter of early 1979. Others may be more predictable, but nonetheless difficult to live with, such as a US recession, the rise in oil prices and the variability of international exchange rates.

Our future policy lines are agreed

I believe the key aspect of Gold Fields' strategy is to be realistic about how much we can achieve. Although a major international Group, we are medium-sized in relation to some contemporary natural resource companies.

FINANCIAL HIGHLIGHTS OF A RECORD YEAR. Table with columns for 1979 and 1978 in millions of dollars. Rows include Profit before interest and taxation, Taxation, Net profit attributable to the members of Consolidated Gold Fields Limited, etc.



Please send me a copy of your Annual Report. The Registrar, Consolidated Gold Fields Limited, Lloyds Bank Limited, Registrar's Department, Goring-by-Sea, Worthing, West Sussex BN12 6DA.

In the next few years we will grow Not only in many of our existing areas of activity, but by acquisitions into related operations. The aim of this growth is higher earnings per share without undue fluctuations or unmanageable risk.

Enoch J. Hale

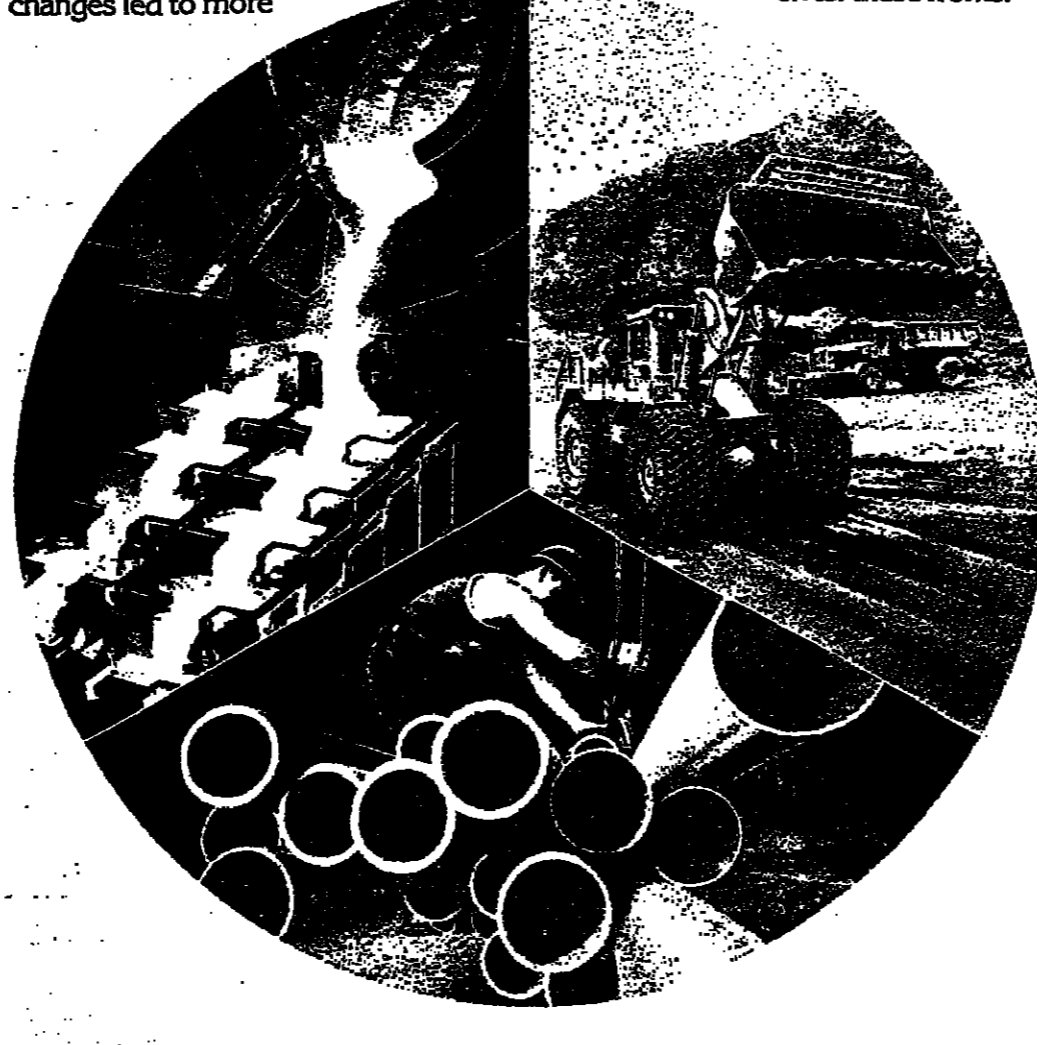
Consolidated Gold Fields Limited

RESULTS AND ACCOUNTS IN BRIEF

CONDOR INVESTMENT INVESTMENT - Interim dividend 2.0p in part of year to April 30, 1980 (1.5p). Final 2.25p dividend. Gross revenue £4.33 (£18.23). Net earnings 2.34 (£10.83) - equal to 2.54 (10p). Net asset value per share 74p (102.3p).

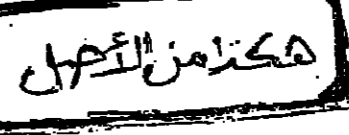
EUROPEAN OPTIONS EXCHANGE

Table of European Options Exchange with columns for Series, Vol., Jan., Last, April, Last, Vol., July, Last, Stock. Includes rows for AMB C, AKZ C, etc.





CURRENCIES, MONEY and GOLD



Dollar eases

DOLLAR lost ground in early trading... The dollar rose to 2.1615-2.1625, before a fall to 2.1595-2.1605...

THE DOLLAR SPOT AND FORWARD

Table with columns: Nov. 26, Day's spread, Close, One month, Three months, % change. Lists various currencies like UK, Ireland, Canada, etc.

THE POUND SPOT AND FORWARD

Table with columns: Nov. 26, Day's spread, Close, One month, Three months, % change. Lists various currencies like U.S., Canada, U.K., etc.

CURRENCY RATES

Table with columns: Nov. 26, Bank rate, Special Drawing Right, European Currency Unit, etc. Lists various currencies and their rates.

OTHER MARKETS

Table with columns: Nov. 26, £, % change, Note Rates. Lists various currencies and their rates.

AS EUROPEAN CURRENCY UNIT RATES

Table with columns: Currency, % change from central, % change from previous day, Divergence. Lists various currencies and their rates.

CHANGE CROSS RATES

Table with columns: Nov. 26, Pound Sterling, U.S. Dollar, Deutschmark, etc. Lists various currencies and their rates.

90-CURRENCY INTEREST RATES

Table with columns: Nov. 26, Starting, U.S. Dollar, Canadian Dollar, etc. Lists various currencies and their interest rates.

INTERNATIONAL MONEY MARKET

Paris rates ease... London money market yesterday... The pound rose to 2.1595-2.1605...

UK MONEY MARKET

Adequate supply... Bank of England Minimum Leading Rate 17 per cent... The pound rose to 2.1595-2.1605...

LONDON MONEY RATES

Table with columns: Nov. 26, Sterling Certificate of deposit, Interbank, etc. Lists various currencies and their rates.

WORLD VALUE OF THE POUND

Large table with columns: PLACE AND LOCAL UNIT, VALUE OF £ STERLING, PLACE AND LOCAL UNIT, VALUE OF £ STERLING. Lists various countries and their currencies.

\*The table below gives the latest available rates of exchange for the pound against various currencies... (A) Approximate rate, (B) Bankers' rate, (C) Commercial rate, (D) Exchange certificate rate, (E) Scheduled Territories rate, (F) Non-commercial rate, (G) Non-scheduled Territories rate, (H) Non-scheduled Territories rate, (I) Non-scheduled Territories rate, (J) Non-scheduled Territories rate.

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They're what most business and investment decisions are really about. Which give information, such as turnover, profits and financial ratios, not available from any other single source. The same attention to facts informs its finance and investment pages, which carefully scrutinise markets both in the UK and abroad. These days a businessman or private investor can spend more time reading columns of advice and opinion than financial news that really gets down to brass tacks. Which is why so many of them prefer to rely on the Investors Chronicle every week. It is written by journalists who believe that a financial weekly should provide more information than speculation. The coverage it gives to companies includes probing analysis of statements and annual reports. As well as monitoring the profit trends of all major business sectors each month. The Investors Chronicle also provides regular reviews of different industries containing unique inter-company statistical comparisons. Out every Friday.

# A boost for Malaysia's tin producers

BY PHILIP BOWRING, recently in Kuala Lumpur

**FAST EXPANDING** Malaysian petroleum and palm oil production and high prices for most of the country's commodity exports, have meant that in recent years, Malaysia has been untroubled by the decline—both absolute and relative—in its tin industry. Lately, however, the Government has come around to the view that tin should not be allowed to sink under the weight of taxation. So, in the budget last month the Government gave the tin industry the biggest boost it has had in years.

Furthermore, Mr. Paul Leong, the Primary Industries Minister, who has pressed the Treasury hard for help for tin, is now working for incentives to encourage exploration for minerals other than tin, and also for non-alluvial tin, which currently accounts for a small part of Malaysia's tin output.

The tax boost for tin operates in two ways. In the first place, the structure of the sliding scale tin export duty has been changed to reduce the duty payable. On the basis of an average tin price of 1,750 ringgit a picul, the saving will be 132m ringgit (around U.S.\$70m) in a full year, compared with duties this year of 555m ringgit. Because of the progressive nature of the duty, the higher the tin price the lower will be the benefit, and vice versa. Thus at a tin price of 1,500 ringgit a picul, the saving will be 202 ringgit a picul in duty, falling to 118 ringgit at 1,800 ringgit and to 62 ringgit at 2,000 ringgit (the current tin price). The tax benefit is eliminated at price of 2,223

ringgit a picul. Above this point the new rate is higher than on the old scale. The new, more progressive, system has a higher top marginal rate, of 50 per cent, but the starting point is very much higher.

The tax change means there will be some incentive to start up new gravel pump operations and, perhaps more importantly, it will enable miners to use lower cut-off grades. These operations tend to be carried out by Malaysian Chinese and are often small and vulnerable to falls in metal prices.

## Recovery

It is impossible to tell what impact the tax change will have on output in the short-term, but some sources suggest that combined with high market prices it could raise gravel pump production by at least 10 per cent in 1980.

Overall, tin production in the current year is expected to be up about 1,500 tons on 1978's 62,600 tons, making 1979 the second successive year of output recovery but leaving production well below 1972's record 75,000 tons.

For big and profitable miners, the duty concession is partly offset by an increase from 12.5 per cent to 15 per cent in the top rate of tin profits tax—the special tax payable on top of ordinary corporate profits tax. But it will add less than 10m ringgit to the approximate 200m ringgit the industry is

paying in corporate and tin profits tax.

Apart from reducing overall tax, the package will transfer some of the tax burden to profits, from production. The aim is primarily to help the marginal mines, mostly the small gravel pump operations which account for some 55 per cent of production. For these the average costs of production—which are fuel intensive—are now around 1,500 ringgit a picul compared with around 1,000 ringgit for dredge operations. So under the old system, gravel pump mining was for many barely profitable even at the high prices tin has been enjoying in the past two years.

For the longer term, the most radical step in the Budget was the commitment to link all future export duties to costs of production. Initially, the base price for the duty has been set at 1,200 ringgit a picul—the estimated average production cost. The rate starts at 20 per cent and rises to a maximum of 50 per cent. The Government will, however, review the costs of production every quarter and make periodic adjustments in the base price.

With tin prices currently buoyant, the tax changes will bring only modest immediate benefit to the earnings of most of the quoted mining companies, but the change should be a major encouragement to future investment, as it will provide companies with considerable protection against a slump in the tin price. Hitherto, the tax

structure has exacerbated price volatility for the producer. Meanwhile, earnings of existing mines will be the stronger.

Tax measures will, however, have a limited impact on output if there is not more co-operation from some of the Malaysian state governments. These control mining and land rights, need revenue and are often at loggerheads with the Federal authorities. Exploitation of the biggest tin find in many years, at Kuala Langat in Selangor, is held up by contention between the Selangor State Government and the majority state-owned Malaysian Mining Corporation (MMC). Squeezed in between is Charter Consolidated, which made the original find, and is the minority shareholder in MMC. Kuala Langat, a rich but deep deposit which will need heavy investment.

The Selangor Government has made heavy demands on the tin companies for the renewal of leases. However, in Perak, the other main tin state, relations between the local government, mining companies and MMC, have run smoothly.

A major problem with known alluvial tin deposits is that they attract powerful local individuals and organisations looking for risk-free profits. But other extractive activity—apart from petroleum—in Malaysia is so limited that Mr. Leong hopes that a strong but attractive framework for exploration and exploitation can be established before valuable finds are made. He doubts if

the necessary investment will be forthcoming until there is more incentive and more security.

The only minerals other than tin and petroleum that Malaysia currently produces are declining reserves of bauxite, copper and iron ore. Mr. Leong considers that there are good prospects for underground tin mining (at present there is only one underground mine), for finds of copper, lead and other metals in the Central Massif of peninsular Malaysia, and for coal and other minerals in the little prospected East Malaysia.

But to find and develop such deposits will require bigger risks, more capital and more skill than has generally been needed in the alluvial tin industry.

Mr. Leong has recently made it clear that he regards the 70 per cent local equity requirement for natural resource ventures to be the major barrier to mining development. The rule was laid down by the Government's Foreign Investment Committee, but is not central to the New Economic Policy which aims at reducing overall foreign equity ownership in Malaysia to 30 per cent by 1990.

## Foreign equity

Mr. Leong would like to see a system whereby a bigger initial foreign equity was allowed which would be reduced over time and would enable a foreign investor to recover his outlay before becoming a minority

equity holder. It is felt that local institutions do not have the risk capital—and certainly not the expertise—needed for the sort of projects Mr. Leong envisages. He regards an equity based contract system for mineral development as more suitable than that of production sharing used for oil, because of the volatility of most metals prices.

For a non-Malay Minister publicly to advocate dilution of an FIC guideline may be bold. But Mr. Leong probably expects support from Tunku Razaleigh Hamzah, the Finance Minister, and meanwhile Mr. Leong is pressing ahead with plans for a comprehensive national policy for minerals other than oil and alluvial tin, of which the equity issue would only be a part.

As important will be the evolving of a national policy towards land and minerals, to which all the states will adhere. Uniform rules for prospecting and production rights are needed, including agreement on division of royalties between state and federal government. That is a possibility. In contrast, with the dispute over tin, the states in 1976 agreed to accept 5 per cent gross oil revenue royalty.

At the more technical level, Malaysia should soon have a national mining code which will lay down uniform rules on such matters as mine safety. The code is more about procedures than principles, but it is another indication that a coherent policy towards mining is emerging.

## A FINANCIALTIMES SURVEY

# SCOTLAND DECEMBER 12 1979

The Financial Times proposes to publish a Survey on Scotland. The provisional editorial synopsis is set out below:

**INTRODUCTION:** With unemployment starting to rise again and companies indicating that they intend to cut back on investment, Scotland's economy looks as though it is resuming its traditional role in the UK economy as a whole —this time showing the early signs of recession. There are however some hopeful signs.

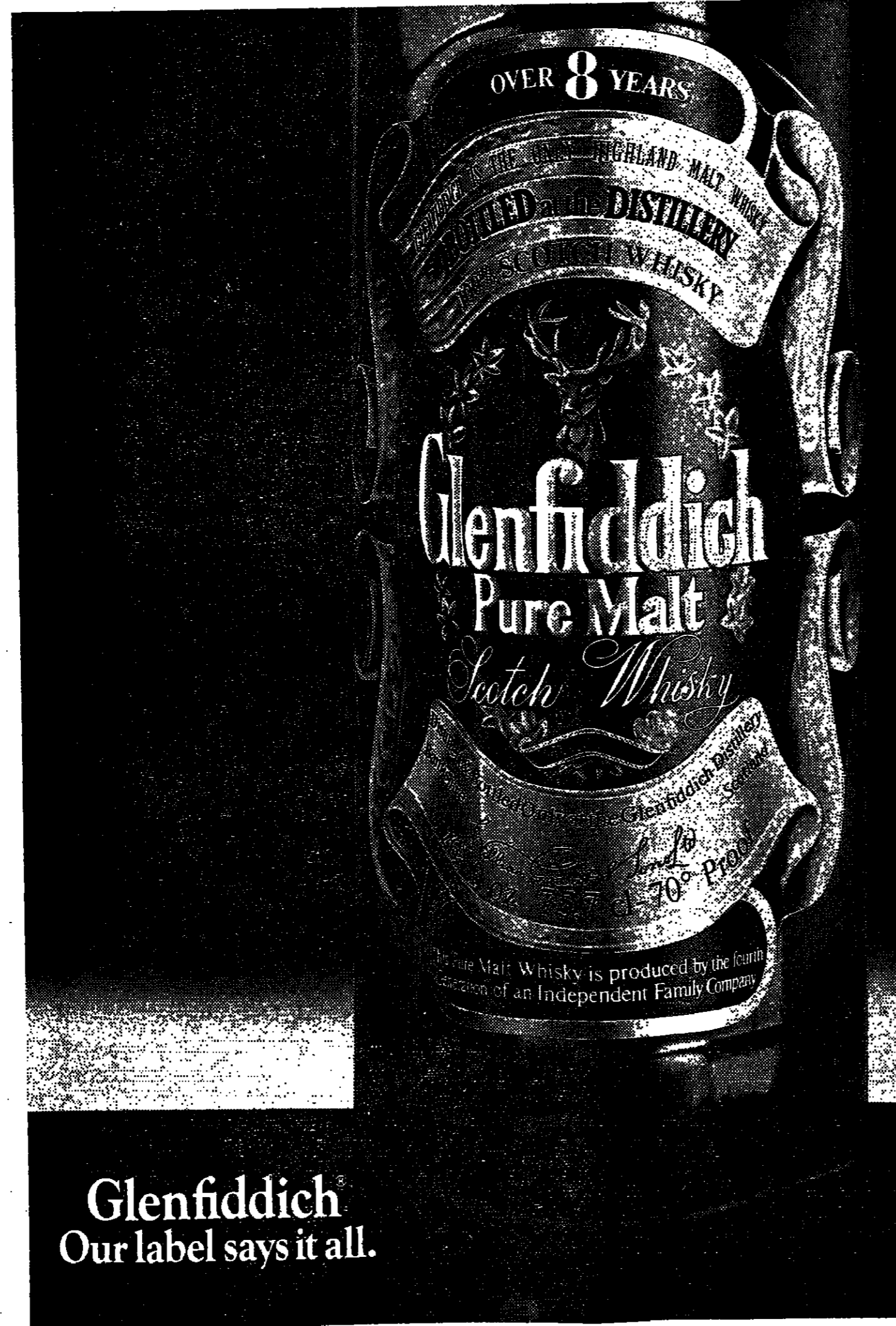
- Editorial coverage will also include:*
- Politics
  - Regional Incentives
  - Small Town Scotland—a case study
  - The Entrepreneurs
  - Company Profile
  - Offshore Oil and Gas
  - Chemicals and Petrochemicals
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  - The Nationalised Industries
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For further information and details of advertising rates please contact:

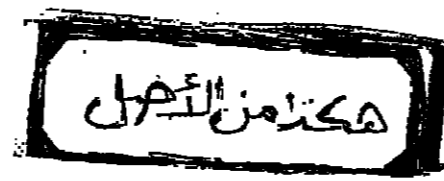
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Bank of West Indies	17%	Lloyds Bank	17%
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Bank of the Middle East	17%	Middle Bank	17%
Bank of the Far East	17%	Parsons Savants Bank	17%
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Bank of the South	17%	Williams & Glyn's	17%
Bank of the East	17%	Yorkshire Bank	17%
Bank of the Middle East	17%	Members of the Accounting House	17%
Bank of the Far East	17%	Company	17%
Bank of the West Indies	17%	7-day deposits on sums of £10,000	15%
Bank of the South	17%	and under 15% up to £25,000	15 1/2%
Bank of the East	17%	10% deposits over £25,000	15 3/4%
Bank of the Middle East	17%	Cash deposits over £25,000	15%
Bank of the Far East	17%	Savings deposits	12%



INTERNATIONAL COMPANIES and FINANCE

NORTH AMERICAN NEWS

Sharon Steel is victor in fight for UV Industries

BY DAVID LASCELLES IN NEW YORK

THE BIDDING WAR FOR UV Industries, the former metals and minerals group, which is in the process of going into liquidation, was won yesterday by Sharon Steel...

Sharon's victory ends a saga that began almost a year ago when UV Industries decided it would do better liquidating its assets than keeping going as a business...

Heinz pays \$45m for German group

By Ian Hargreaves in New York

H. J. HEINZ, the food manufacturer, has taken over a West German sauce and salads company as part of its expansion strategy in Europe...

European investors seek stake in Flagship Banks

BY STEWART FLEMING IN NEW YORK

A GROUP of European investors is planning to take a 14 per cent stake in Flagship Banks, the fifth largest bank in Florida with assets of around \$1.5bn.

But representatives of the European investors are refusing to present to disclose their identity or nationality. These details will have to be revealed when they file for approval of the Federal Reserve Board...

LONE STAR INDUSTRIES

Solid growth seen in cement

BY IAN HARGREAVES IN NEW YORK

"CEMENT IS turning to gold." This is the message which Mr. Jim Stewart has been putting across to anyone who will listen in the United States investment community in the last year...

league in terms of corporate size by extending its geographical spread and market share in the American cement industry. The anti-trust consideration is important because Lone Star blames the Federal Trade Commission for blocking its attempts to take over smaller companies...

Current price ranges between \$22 a ton in areas of liberal supply to \$80 a ton in Seattle, which relies on Japanese cement shipped in by Lone Star.

Mr. Stewart's faith in his own cement industry was illustrated earlier this year when he pushed the sale of his company's non-cement activities through an initially doubtful board of directors.

Mr. Stewart believes that the U.S. cement industry is entering a period of 15 years continuous growth—something it has never previously experienced—and that Lone Star, cash permitting, is sitting pretty to take the pay off.

By then Lone Star could also be interested in more operational links with the European cement industry, such as its joint operation in Brazil with Lafarge of France and its long-standing technical co-operation with Blue Circle of the UK.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Table with columns: U.S. DOLLAR STRAIGHTS, Issued, Bid, Offer, Change on day, Yield. Includes entries for Alcoa of Australia, Alcoa of Canada, Alcoa of Mexico, etc.

Table with columns: OTHER STRAIGHTS, Issued, Bid, Offer, Change on day, Yield. Includes entries for Shell Canada, C.F. Focier, Am. Ind. Inv., etc.

Table with columns: DEUTSCHE MARK STRAIGHTS, Issued, Bid, Offer, Change on day, Yield. Includes entries for African Dev. Bk., Argentina, Asian Dev. Bk., etc.

Table with columns: CONVERTIBLE, Cw. Cw. Bid Offer, Change on day, Yield. Includes entries for AGA Aktbolag, Alcoa Int. Fin., Agribank, etc.

Brazil's debts to near \$50bn by year-end

By Hugh O'Shaughnessy

BRAZIL'S FOREIGN debt will approach \$50bn by the end of this year, and the monetary authorities will be examining all possibilities of borrowing in the international markets.

Gains continue in dollar and DM sectors

BY FRANCIS GHILES

PRICES of dollar-denominated bonds recorded further gains yesterday while in the Deutsche-Mark sector of the market foreign D-mark bonds again moved up sharply.

market opened on a firm note, all of which suggests that further price gains may be recorded today. Another factor helping to push down Euro-dollar rates is the large amount of liquidity offered to banks by depositors, usually for two- to four-week periods.

U.S. company spending likely to slow down

By Our New York Correspondent

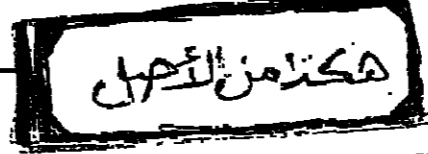
CAPITAL expenditures and appropriations by major U.S. companies will slow sharply next year, according to the results of a survey by the U.S. business research organisation, the Conference Board.

U.S. \$90,000,000 Eleven Year Term Loan

Advertisement for U.S. \$90,000,000 Eleven Year Term Loan. Includes logos for Udruzena Beogradska Banka, Beograd; Vojvodjanska Banka-Udruzena Banka, Novi Sad; Investiciona Banka Titograd-Udruzena Banka, Titograd. Managed by Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.) and Libyan Arab Foreign Bank.

Table with columns: YEN STRAIGHTS, Issued, Bid, Offer, Change on day, Yield. Includes entries for Australia, Austria, Belgium, etc.





Focus on Hessische Landesbank - Girozentrale -

COMPANIES and FINANCE INTNTL. COMPANIES and FINANCE

AUSTRALIAN MEDIA TAKEOVER BATTLE

Fairfax emerges as HWT saviour

BY JAMES FORTH IN SYDNEY

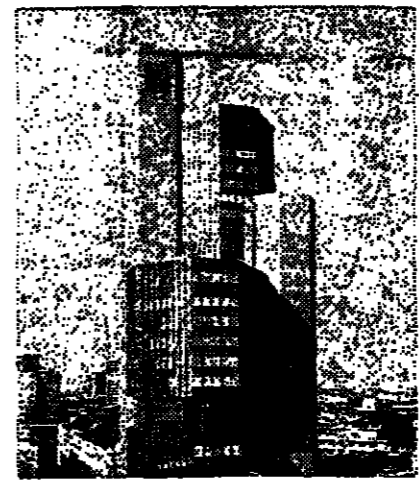
WHEN FAIRFAX, the Sydney TV, radio and publishing group yesterday emerged as the saviour of Rupert Murdoch's News Ltd. group...

The sale prices and the purchasers will be subject to approval by Fairfax, and they were expected to provide a substantial part of the finance needed to buy the HWT shares...

Friends of the Herald and Weekly Times increased their shareholdings to some 36 per cent in their successful attempt to thwart the A\$126m bid for control by Rupert Murdoch's News Limited...

Mr. R. B. Leonard, chairman of Queensland Press, said that it was in the interests of Australians to have a free and independent press...

"Half of Germany's top 10 banks are Frankfurt-based. We're one of them."



Let's start with Frankfurt. Why is Frankfurt so important? "Frankfurt ranks among the world's foremost banking and financial centers. 150 German banking institutions operate here, and Frankfurt has 174 international banks...

Who are the bank's main clients? "As a wholesale bank, our service facilities are tailored for large, internationally active corporations, foreign governments, and other financial institutions..."

Thiess in further legal moves

BY OUR SYDNEY CORRESPONDENT

THE QUEENSLAND coal, construction and motor vehicle group Thiess Holdings has sought an order from the Federal Court declaring that the acquisition of shares in the company by the industrial and mining group CSR is in breach of the merger provisions of the Trade Practices Act...

Thiess sought an order restraining the Shell agreement on the grounds that CSR had given a benefit not available to other Thiess holders.

Thiess obtained a ruling that the agreement on the equity in the coal ventures must not be executed pending a hearing, but the court did not rule on the actual sale of the Shell shares to CSR.

THE WEAKENING of the Japanese yen contributed to a 23 per cent increase in revenue for the foreign exchange specialist Bank of Tokyo during the six months ending September 30.

Marginal rise for Bank of Tokyo

By Charles Smith, Far East Editor in Tokyo

THE WEAKENING of the Japanese yen contributed to a 23 per cent increase in revenue for the foreign exchange specialist Bank of Tokyo during the six months ending September 30.

East India Hotels to expand

BY K. K. SHARMA IN BOMBAY

EAST INDIA HOTELS, which recently made a controversial deal with Sheraton with which had an agreement for running five-star hotel in Bombay, has revealed plans to open new hotels in London, New York, East Africa, and a second one in Saudi Arabia.

The company currently runs 23 hotels in India and abroad, to which it hopes to add about 10 next year.

The company currently runs 23 hotels in India and abroad, to which it hopes to add about 10 next year.

Advertisement for The Taiyo Kobe Bank, Ltd. U.S. \$15,000,000 Floating Rate Certificates of Deposit due 1982. Arranged by Hambros Bank Limited. November, 1979.

Advertisement for L.C.P. Holdings Limited. Through its subsidiary, LCP Inc., has acquired a 24 per cent interest, and has agreed to acquire a controlling interest, in THE WHITLOCK CORPORATION (a Minnesota corporation). J. Henry Schroder Wagg & Co. Limited acted as financial advisers to L.C.P. Holdings Limited. Schrodgers November 1979.

Advertisement for Helaba Frankfurt. Micro-processors. The up-to-date knowledge you need. £120. Helaba Frankfurt Hessische Landesbank - Girozentrale.

Advertisement for The Open University. New Open University course for management in industry. The impact of microprocessors is already beginning to affect almost every industrial company. The Open University course for industry. The course content includes a ready-to-use microprocessor, an instruction manual and six detailed booklets.



هكذا من العمل

APPOINTMENTS

Transport industry Board posts

The Transport Minister has made a number of appointments to the boards of the transport industries for which he is responsible... Mr. Max Brown has been appointed managing director of CRUSTEEL...

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Editor for The Bankers' Magazine

A financial journalist is required to fill this demanding but highly satisfying position in early 1980. The Editor will have considerable freedom of operation, within the agreed policy, for the overall editorial function.

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COMPANY NOTICES

RMP

RAND MINES PROPERTIES LIMITED

NOTICE IS HEREBY GIVEN that the annual general meeting of the members of Rand Mines Properties Limited will be held in the conference room at the company's registered office...

CANADIAN AND FOREIGN SECURITIES

THE ROYAL BANK OF CANADA (LONDON) LIMITED HAVE RECEIVED THE LIST OF CANADIAN AND FOREIGN SECURITIES...

BEVERLAGE BREWERY LIMITED

NOTICE IS HEREBY GIVEN that in preparation for the payment of the half year dividend of the 5% Cumulative Preference shares of the above-named company...

FRENCH KIER HOLDINGS LIMITED

NOTICE IS HEREBY GIVEN that the Ordinary Share Transfer Books of the Company will be closed from the 10th to 21st December, 1979...

FRENCH KIER HOLDINGS LIMITED

NOTICE IS HEREBY GIVEN that the Ordinary Share Transfer Books of the Company will be closed from the 10th to 21st December, 1979...

Chief Accountant

We are looking for a qualified accountant who may also have company secretarial experience. Aged under forty you will already have financial control experience...

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LEGAL NOTICE

No. 00297 of 1979 IN THE HIGH COURT OF JUSTICE Chancery Division, Mr. Justice Oliver, in the Matter of PERTA HOTELS (U.K.) LIMITED and in the Matter of the Companies Act 1948.

BOND DRAWING

NORGES KOMMUNALBANK

Bonds for the amount of UA 513,250 have been drawn for subscription in the presence of a Notary Public on November 22, 1979.

THE ROYAL BANK OF CANADA

THE ROYAL BANK OF CANADA (LONDON) LIMITED HAVE RECEIVED THE LIST OF CANADIAN AND FOREIGN SECURITIES...

FRENCH KIER HOLDINGS LIMITED

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FRENCH KIER HOLDINGS LIMITED

NOTICE IS HEREBY GIVEN that the Ordinary Share Transfer Books of the Company will be closed from the 10th to 21st December, 1979...

TRAVEL

GENEVA, Rome, Zurich and Bern, where London, EC1A 2DY.

It calls for skill, vision, teamwork and stamina to compete, let alone win.

Large advertisement for National Management Game 1980, featuring a circular logo with 'MARKETING', 'SALES', 'FINANCE', 'PRODUCTION' and 'CLOSING DATE NOW DEC 3RD'. Includes details on prizes (over £6,500), rules, and contact information for the National Management Game Administrator.

WORLD STOCK MARKETS

Early Wall St. advance of 16.1

NEW YORK Stock market data table with columns for Stock, Nov. 26, Nov. 27, Nov. 28, Nov. 29, Nov. 30, Nov. 31, and High/Low values.

HOPE'S THAT interest rates are at or near a peak spurred Wall Street sharply ahead over a wide front yesterday morning in very heavy trading. THE AMERICAN SE Market Value Index climbed 4.1% to 227.27 at 1 p.m. Volume 4.13 million shares (2.22m).

INDICES table showing various market indices like NYSE, Dow Jones, and others with their respective values and changes.

CANADA, BELGIUM, HOLLAND, AUSTRALIA, JAPAN (continued) tables listing stock prices and market data for these regions.

NEW YORK DOW JONES table with columns for Nov. 26, Nov. 27, Nov. 28, Nov. 29, Nov. 30, Nov. 31, and High/Low values.

Table listing various international stock markets including AUSTRIA, BELGIUM/LUXEMBOURG, HONG KONG, SOUTH AFRICA, and SWITZERLAND.

Large vertical advertisement on the right side of the page, featuring 'Bachelors' and 'INSURANCE' with various promotional text and graphics.

Shortage lifts price of cocoa

By Our Commodities Staff
RENEWED PHYSICAL buying interest highlighted the tightness of nearby supplies on the London cocoa market yesterday, encouraging a sharp rise in short-dated positions.

Output boost for Robusta coffee planned

ABIDJAN — African coffee producers meeting here last week agreed to take practical steps to boost declining Robusta coffee production, officials of a 22-nation Inter-African Coffee Organisation, IACO, said.

London hits back at U.S. futures trading chief

BY JOHN EDWARDS, COMMODITIES EDITOR
LONDON COMMODITY exchanges have hit back at Dr. James M. Stone, chairman of the U.S. Commodity Futures Trading Commission, over remarks he made in an interview earlier this month with the New York Times criticising British policy.

Rise in stocks hits lead

By Our Commodities Editor
AN UNEXPECTED rise in stocks, when a decline had been forecast, drove lead prices down on the London Metal Exchange yesterday.

Traditional suppliers resist EEC threat

AUSTRALIA and South Africa will shortly set their prices for 1980 canned fruit sales to the UK. The rates will be pitched largely to beat EEC competitors who have been trying to extend their share of the market since Britain's entry into Europe.

World wheat estimate raised

BY RICHARD MOONEY
THE INTERNATIONAL Wheat Council expects world production of wheat to total 414.8m tons this year, compared with the 414m tons it estimated a month ago.

High Egyptian cotton crop forecast

WASHINGTON — The U.S. Agriculture Department expects Egypt's 1979-80 cotton crop to reach 2.15m bales (480 lbs each), the highest since 1973-74.

Drop in British fish catches

BY RICHARD MOONEY
BRITISH CATCHES of cod, haddock, whiting, plaice and saithe in the North Sea in the first seven months of this year declined by 4 per cent to 156,000 tonnes compared with the same period in 1978.

BRITISH COMMODITY MARKETS

Table with columns for Base Metals, Tin, Zinc, and other commodities. Includes sub-sections for Copper, Lead, and Tin.

COFFEE

Table showing coffee prices for various grades and origins, including Arabica and Robusta.

SOYABEAN MEAL

Table showing soyabean meal prices for different grades and origins.

EUROPEAN MARKETS

Table showing European market prices for various commodities like wheat, sugar, and oil.

Table showing insurance base rates for property and other risks.

Table showing prices for various grains and oilseeds.

Table showing prices for various types of sugar.

Table showing prices for various types of wool.

Table showing prices for various types of tin.

Table showing prices for various types of zinc.

Table showing prices for various types of lead.

Table showing prices for various types of copper.

Advertisement for Bache Halsey Stuart, a commodity investment firm, listing services and contact information.

Table showing prices for various types of nickel.

Table showing prices for various types of silver.

Table showing prices for various types of wool futures.

Table showing London commodity charts for various commodities.

Table showing prices for various types of wheat.

Table showing prices for various types of barley.

Table showing prices for various types of cotton.

Table showing prices for various types of oil.

Table showing prices for various types of flour.

Table showing prices for various types of pulses.

Table showing prices for various types of nuts and seeds.

Table showing prices for various types of beans.

Table showing prices for various types of lentils.

Table showing prices for various types of chickpeas.

Table showing prices for various types of other legumes.

Wage awards unsettle markets but Gilts pick up late on U.S. interest rate cuts—Oil Exploration drop sharply

Account Dealing Dates

\*First Declared Last Account Dealings Date... 19 Dec. 6 Dec. 7 Dec. 17 Dec. 19 Dec. 26 Dec. 27 Jan. 7 Dec. 25 Jan. 10 Jan. 11 Jan. 21

tracts completed amounted to 322, the lowest since late September and compared with last week's daily average of 584.

Discounts dull

Discounts drifted lower for the fifth consecutive trading day, still on fears that the recent rise in interest rates and the gilt market collapse has left them exposed to heavy losses.

The major clearing banks remained unsettled by last Friday's reports that Iran's foreign debt obligations will not be paid.

Trade throughout the funds was much reduced on recent levels. The absence of any weight of fresh selling encouraged an afternoon rally but the ground regained was given up before the close.

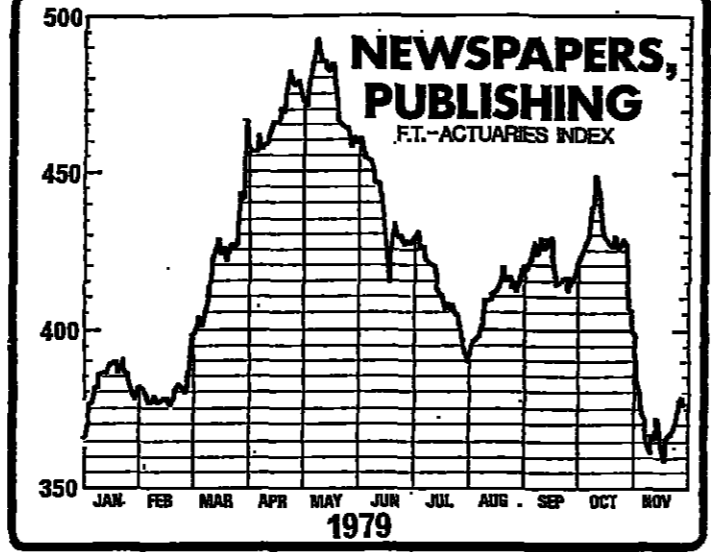
Oil Exploration dropped to 674 in animated trading prior to settling 110p down on the day at 690p, while prospective merger partner LASSCO recovered from 345p to end a net 32 off at 360p.

Elsewhere, the increased annual profits and dividend left Centric 4 higher at 39p, while revived demand prompted a rise of 2 to 51p in Anderson Strathclyde.

statements prompted contrasting movements in G. H. Dowling and Burnett and Hallams, the former falling 8 to 102p on the reduced profits, but the latter firming 10 to 440p in response to the encouraging accompanying statement in Timbers.

Neglected in early trading, ICI attracted increased business as the session progressed and finished a penny better on balance at 381p, after 347p.

Debenhams better Press suggestions that the group is about to sell its Harvey Nichols store in Knightsbridge



for £25m prompted a modest rally in recently weak Debenhams which closed a penny better at 63p.

Elsewhere, the increased annual profits and dividend left Centric 4 higher at 39p, while revived demand prompted a rise of 2 to 51p in Anderson Strathclyde.

255p. Elsewhere in Electricals, favourable Press mention prompted an improvement of 2 to 197p in Automated Security.

Computer continued firmly at 237p, up 7. Chamberlain Philips added 2 to 41p following the interim results. Recently favoured for its North Sea oil interests, National Carbonizing hardened 2 mps to 123p following Press comment but Alfred Dunhill fell 10 further to 385p.

Shipments were inclined earlier on lack of support. Stag Line lowered, fell to 140p in a thin market on the pre-tax loss.

Among easier Motors, Lucas eased to 204p before late support left the shares unchanged at 203p.

Mining markets began the week in subdued fashion. South African Gold shares edged higher in quiet trading as small Continental buying interest followed the \$2.375 rise in the bullion price to \$394.875 an

tively at the companies' requests; discussions are in progress which may lead to a merger.

Sothebys good

As on Friday, features were few and far between in the miscellaneous industrial sector. Sothebys stood out with a rise of 25 to 380p on renewed investment support, while Applied Computer continued firmly at 237p, up 7.

Shipments were inclined earlier on lack of support. Stag Line lowered, fell to 140p in a thin market on the pre-tax loss.

Among easier Motors, Lucas eased to 204p before late support left the shares unchanged at 203p.

Mining markets began the week in subdued fashion. South African Gold shares edged higher in quiet trading as small Continental buying interest followed the \$2.375 rise in the bullion price to \$394.875 an

depressed certain issues in the sector. Hammerson A were particularly vulnerable at 685p, down 20, after 680p. Land Securities cheapened 4 to 340p, after 350p, and MEPC shed 2 to 40p.

Oil Ex fall sharply

Oil shares again provided one of the markets main sources of interest yesterday. Fresh activity, particularly in second-line issues, was sparked off by an early announcement that the unnamed bidder's talks with Oil Exploration had proved abortive.

once. The Gold Mines index put on 3.6 to 219.7. Heavyweight Gold registered improvements of up to 4 pips with gains that amount common to Hartbeest 221, President Brand, 212, St. Helena, 211, and Western Holdings, 210.

Medium and lower-priced issues showed minor gains with the exception of Durban Deep and East Rand Proprietary; the former rose 36 to 648p and the latter 29 to 553p both following a good demand from Continental sources.

Business in Australians was minimal with investors deterred by a fresh downturn in overnight Sydney and Melbourne markets.

Gold Fields of South Africa continued to make progress and put on 4 pips to a 1979 high of 225.

FINANCIAL TIMES STOCK INDICES table with columns for Nov. 26, Nov. 23, Nov. 22, Nov. 21, Nov. 20, Nov. 19, and a year ago.

HIGHS AND LOWS table showing price ranges for various stocks like Govt. Secs., Fixed Int., Ind. Ord., and Gold Mines.

NEW HIGHS AND LOWS FOR 1979 table listing new high and low prices for various stocks.

RISES AND FALLS YESTERDAY table showing price changes for British Funds, Corporate, Domestic, and Industrial.

RISES AND FALLS table showing price changes for various sectors like Finance, Property, and Mining.

Britain to take more refugees THERE ARE about 3,000 Vietnamese refugees in Britain, with a further 10,000 due to arrive within the next two years.

LONDON TRADED OPTIONS table with columns for Option, Strike Price, Volume, and Date.

UNIT TRUST SERVICE advertisement listing various investment funds and services.

OFFSHORE & OVERSEAS-contd. advertisement listing international financial services and agents.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Large table of FT-ACTUARIES SHARE INDICES with columns for Equity Groups & Sub-sections, Indices, and Fixed Interest Price Indices.

ACTIVE STOCKS

Table of Active Stocks listing stock names, denominations, closing prices, and changes.

DEALING DATES

Table of Dealing Dates listing first, last, and settlement dates for various companies.

RECENT ISSUES

Table of Recent Issues listing stock names, issue prices, and dates.

FIXED INTEREST STOCKS

Table of Fixed Interest Stocks listing stock names, interest rates, and prices.

"RIGHTS" OFFERS

Table of Rights Offers listing stock names, issue prices, and dates.

Renunciation date usually last day for dealing free of stamp duty. A forecast based on prospective earnings...



FT UNIT TRUST INFORMATION SERVICE



AUTHORIZED UNIT TRUSTS

Table listing authorized unit trusts with columns for Name, Manager, and other details.

Table listing various unit trusts under the heading 'Discretionary Unit Fund Managers'.

Table listing unit trusts under the heading 'Mayflower Management Co. Ltd.'.

Table listing unit trusts under the heading 'Target Unit Trusts (a)(g)'.

Table listing unit trusts under the heading 'Commercial Union Group'.

Table listing unit trusts under the heading 'London Life Linked Assn. Ltd.'.

Table listing unit trusts under the heading 'Scottish Widows Group'.

Table listing unit trusts under the heading 'Capital International S.A.'.

INSURANCE PROPERTY BONDS

Table listing insurance and property bond products.

OFFSHORE & OVERSEAS FUNDS

Table listing offshore and overseas investment funds.

NOTES: Information regarding fund pricing and performance.

Continued on previous page.

FT SHARE INFORMATION SERVICE

Flowers say you care and remember. There's no more personal way to express sympathy...

FOREIGN BONDS & RAILS

Table with columns for Stock, Price, and % Change. Includes entries like Anglo-Franco, Anglo-German, Anglo-Italian.

BANKS & HP—Continued

Table with columns for Stock, Price, and % Change. Includes entries like Bank of America, Bank of Montreal, Bank of New York.

CHEMICALS, PLASTICS—Cont.

Table with columns for Stock, Price, and % Change. Includes entries like Alkyls, Alkyls, Alkyls.

ENGINEERING—Continued

Table with columns for Stock, Price, and % Change. Includes entries like Alkyls, Alkyls, Alkyls.

BRITISH FUNDS

Table with columns for Stock, Price, and % Change. Includes sections for 'Shorts' (Lives up to Five Years) and 'Five to Fifteen Years'.

AMERICANS

Table with columns for Stock, Price, and % Change. Includes entries like AMF 5% Conv. Bt., American Express, American International.

Hire Purchase, etc.

Table with columns for Stock, Price, and % Change. Includes entries like Hire Purchase, etc.

DRAPERY AND STORES

Table with columns for Stock, Price, and % Change. Includes entries like Andover 20p, Andover 20p.

BEERS, WINES AND SPIRITS

Table with columns for Stock, Price, and % Change. Includes entries like Alkyls, Alkyls, Alkyls.

ELECTRICALS

Table with columns for Stock, Price, and % Change. Includes entries like Alkyls, Alkyls, Alkyls.

BUILDING INDUSTRY, TIMBER AND ROADS

Table with columns for Stock, Price, and % Change. Includes entries like Alkyls, Alkyls, Alkyls.

CANADIANS

Table with columns for Stock, Price, and % Change. Includes entries like Alkyls, Alkyls, Alkyls.

BANKS AND HIRE PURCHASE

Table with columns for Stock, Price, and % Change. Includes entries like Alkyls, Alkyls, Alkyls.

INTERNATIONAL BANK

Table with columns for Stock, Price, and % Change. Includes entries like Alkyls, Alkyls, Alkyls.

LOANS

Table with columns for Stock, Price, and % Change. Includes entries like Alkyls, Alkyls, Alkyls.

COMMONWEALTH & AFRICAN LOANS

Table with columns for Stock, Price, and % Change. Includes entries like Alkyls, Alkyls, Alkyls.

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HOTELS AND CATERERS

Table with columns for Stock, Price, and % Change. Includes entries like Alkyls, Alkyls, Alkyls.

INDUSTRIALS (Miscel.)

Table with columns for Stock, Price, and % Change. Includes entries like Alkyls, Alkyls, Alkyls.

FOOD, GROCERIES, ETC.

Table with columns for Stock, Price, and % Change. Includes entries like Alkyls, Alkyls, Alkyls.

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INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, Shell, and ICI, with columns for stock price, dividends, and other financial metrics.

INSURANCE—Continued

Table of insurance companies such as Lloyd's, Royal Indemnity, and others, listing their stock prices and financial data.

PROPERTY—Continued

Table of property-related stocks and trusts, including various real estate investment vehicles.

INVESTMENT TRUSTS—Cont.

Table of investment trusts offering diversified portfolios, such as the British Investment Trust and others.

FINANCE, LAND—Continued

Table of finance and land-related stocks, including banks and land investment trusts.

NOMURA advertisement featuring the company logo, name, and contact information for their London office.

MINES—Continued CENTRAL AFRICAN

Table of Central African mining stocks, including companies like Anglo American and De Beers.

AUSTRALIAN

Table of Australian stocks, including various mining and industrial companies.

TINS

Table of tin stocks, including companies like Anglo Tin Mines and others.

COPPER

Table of copper stocks, including companies like Anglo American and others.

MISCELLANEOUS

Table of miscellaneous stocks, including various small and mid-cap companies.

NOTES

Notes section providing detailed information about the stocks listed, including company profiles and financial highlights.

TEAS

Table of tea stocks, including companies like Anglo Tea and others.

MINES

Table of mining stocks, including various international mining companies.

INSURANCE

Table of insurance companies, including various international insurers.

PROPERTY

Table of property-related stocks and trusts.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land-related stocks.

FINANCE, LAND, etc.

Table of finance, land, and other stocks.

FINANCE

Table of finance-related stocks, including banks and financial institutions.

REGIONAL MARKETS

Regional Markets section providing information about stock markets in different regions.

OPTIONS 3-month Call Rates

Table of 3-month call option rates for various stocks.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks, including companies like Anglo American.

SKIPTON BUILDING SOCIETY
London Office: 81 High Street, London EC2A 3AA
Head Office: High Street, Skipton BD23 1DN
Tel: 01923 8147
Assets exceed £366 million
Reserves exceed £7 million

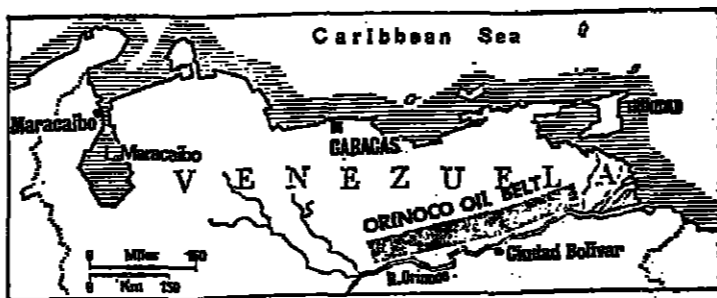
Khomeini declares U.S. enemy of Iran

BY ANDREW WHITLEY

THE Ayatollah Khomeini yesterday consolidated Iran on an anti-American course, declaring that the U.S. was now his country's enemy and should be fought on the "religious, economic and military fronts."

day that Mr. Abol Hassan Bani-Sadr, the external affairs supervisor, was prepared to go to New York in a week's time, but only if the debate were postponed till then.

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Venezuela optimistic about new oil source

BY RAY DAFTER, ENERGY EDITOR

VENEZUELA HAS raised hopes of a major new source of oil. Government officials estimate they can economically recover about 500bn barrels of heavy oil from the Orinoco region—almost as much oil as in the proven reserves of the free world.

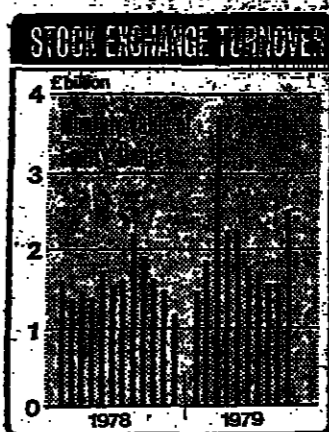
secretary of the conference, said he expected the Venezuelans would not rush into production of the Orinoco oil because of the enormous costs involved and because they would not want to undermine current oil prices.

The cuts in U.S. prime rates yesterday follow a sharp fall in the Federal Funds rate in recent weeks—down from over 17 per cent shortly after the Volcker package to little more than 12 per cent now—and falls in economic indicators such as car sales and housing starts.

THE LEX COLUMN

Putting a price on a vote

Index fell 1.5 to 407.1



Non-voting shares

Burton's decision to make a for 7 scrip issue to its voting shareholders to compensate them for the enfranchisement of the A shares raises old questions about the value of voting rights.

practice, it would probably be up to the bidder to satisfy all concerned of the fairness of his offer for the non-voting shares—which could be very difficult in a contested bid.

Dawson International

Allowing for the acquisition of John Haggas a year ago, Dawson International's turnover has been static and pre-tax profits are effectively about 10 per cent down at the halfway stage.

In 1978—they are nevertheless very respectable when against the profits declines 25 per cent and more typical among other textile companies.

Vickers Da Costa

The latest accounts for Vickers da Costa are a mournful illustration of the problem faced by large sections of London stockbroking community.

Airlines 'face big losses'

BY MICHAEL DUNNE, AEROSPACE CORRESPONDENT IN MANILA

WORLD AIRLINES are likely to incur heavy losses this year from the "staggering" increases in fuel prices and the resulting inflationary spiral.

One likely effect is that a further increase in world air fares will be proposed at this week's annual meeting in Manila of the International Air Transport Association, which represents more than 100 airlines.

economic structure of the route which in the present environment are beyond the scope of conventional methods of correction.

Industrial activity prospects gloomy

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

MANUFACTURING companies remain despondent about the prospects for industrial activity in the coming months in spite of a marginal improvement reported during the past few weeks.

These industrial output and prices forecasts are in line with other recent reports and follow the CBI's gloomy quarterly trends survey four weeks ago.

The Burton arrangement values the voting rights at 1.7 per cent of the total equity, as against 2.5 per cent in the Thorn enfranchisement.

The CBI will also repeat its warning about profitability, predicting that the real rate of return for industrial and commercial companies, excluding North Sea activities, will fall to below 3 per cent this year and below 2 per cent next year.

What the premium would actually be worth in the case of a bid is another matter. The Takeover Code provides that a comparable offer should be made to all classes of equity. In

Weather

UK TODAY Occasional rain. S.E., N.W. England, Midlands Occasional rain later. Max 12C (54F).

WORLDWIDE Y-day midday C F Y-day midday C F

Table with 4 columns: City, Y-day midday C, Y-day midday F, Y-day midday C, Y-day midday F. Lists cities like Aljaccio, Algiers, Amst, etc.

Heseltine gives little hope of early mortgage cut

BY PHILIP RAWSTORNE

MR. MICHAEL HESELTINE, Environment Secretary, yesterday held little prospect of an early reduction in mortgage interest rates.

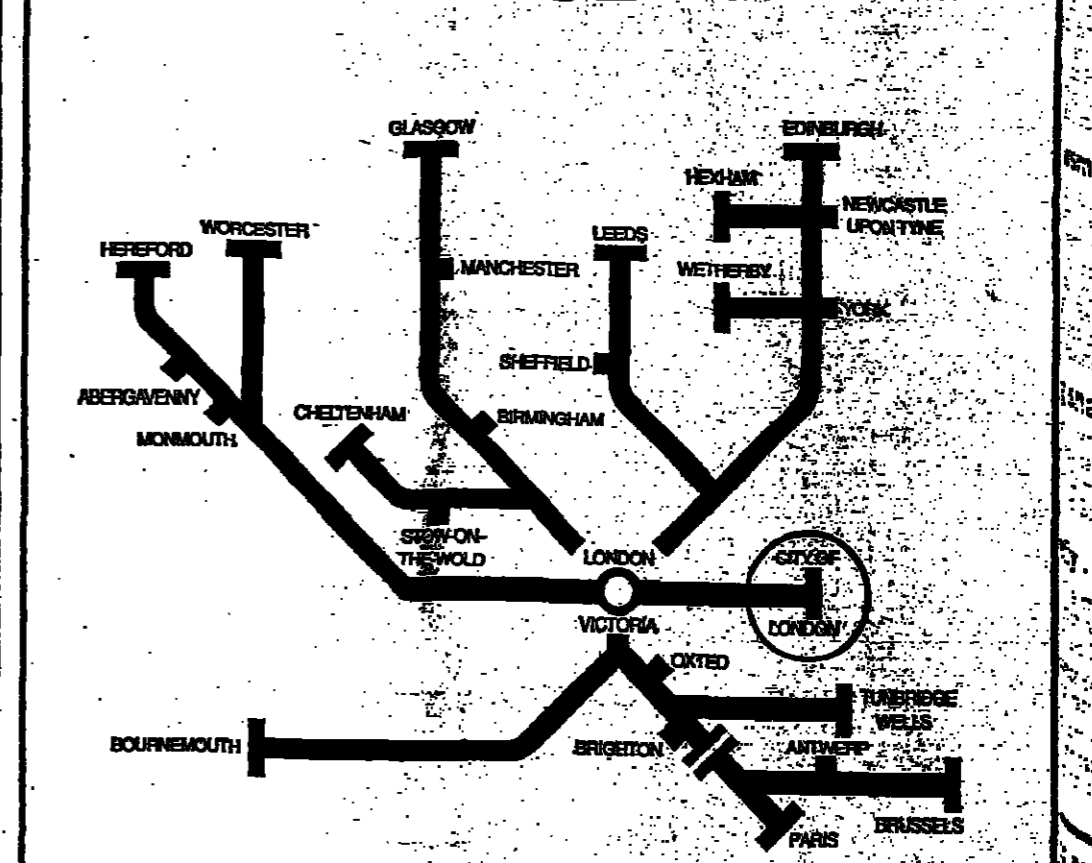
Mr. Heseltine claimed that excessive pay settlements and strikes had played a large part in forcing up interest rates.

Political honours return BY ELINOR GOODMAN

THE GOVERNMENT is to resurrect the system of political honours which lay dormant during the life of the last Labour Government.

examining the Prime Minister's own nominations for honours is to be increased—presumably to protect the Government from any accusations of abusing the system.

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Continued from Page 1

Prime rate

political criticism because of their high lending charges and this too will have encouraged them to cut the prime.

Continued from Page 1

Carrington

Jenkins, President of the European Commission, who is in London to discuss the Dublin summit.

Continued from Page 1

Prime rate

imposed then on increases in their liabilities. All of these factors are leading economists to expect that the prime will come down across the banking industry.

Continued from Page 1

Carrington

There had been reports before the meeting, one of a series of preparatory discussions the commission president has had in EEC capitals, that Mr. Jenkins would